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ABSTRACT

This is the second published volume of the House Committee on the District of Columbia's hearings and findings on the problems of urban centers in America and the Federal government role. The earlier volume focused on Washington, D.C. as a central model and viewed urban problems very broadly. Based on findings presented in the earlier volume, the present volume examines the particular problems of urban environments that are different from Washington, D.C. in geographic and socioeconomic character. The hearings transcribed here were held in Philadelphia, Houston, and Los Angeles in 1981 and 1982. Witnesses (40 in number) are primarily local in their concerns and involvement. Problems discussed fall into three general categories: crime, housing, and employment. The Philadelphia section focuses on the witnesses' concern that the loss of Law Enforcement Assistance Administration funds would substantially undermine law enforcement--even as violence in the city is increasing. In Los Angeles, the most discussed concern is over the rise of youth gangs and violence, a problem said to arise from unemployment and nonassimilation of recent immigrants (particularly Hispanics and Asians). The Houston hearings contain testimony that this city's "boom" is deceptive and does not extend to persons at the lower levels of income. Like those in the other cities, Houston witnesses favor increased Federal involvement toward solving their city's problems. (KH)

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# PROBLEMS IN URBAN CENTERS:
## Philadelphia—Los Angeles—Houston

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# OVERSIGHT HEARINGS

BEFORE THE

## COMMITTEE ON
## THE DISTRICT OF COLUMBIA
## HOUSE OF REPRESENTATIVES

NINETY-SEVENTH CONGRESS

FIRST AND SECOND SESSIONS

ON

PROBLEMS IN URBAN CENTERS, WASHINGTON, D.C., AND THE FEDERAL GOVERNMENT ROLE

JUNE 15, 30, 1981, AND FEBRUARY 12, 1982

**Serial No. 97-15**

**VOLUME II**

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# INTRODUCTION AND SUMMARY REMARKS

This is the second published volume of the House Committee on the District of Columbia's hearings and findings on the problems of urban centers in America.

The materials contained in the first volume grew out of the committee's efforts to develop a broad overview of the character and dimensions of the problems that plague cities and urban areas on a national level. Washington, D.C., because it is the Nation's capital city and not unlike others in terms of the problems it faces, but different in terms of its unique relationship with the Federal Government, was used as the central model for comparison. The committee's principal focus was to try to determine if the assistance of the Federal Government was need and what, if anything in particular, the Federal Government might do to directly aid urban areas in their effort to solve the special problems that they face.

I have believed for some time that Washington could and should be an ideal model of the Nation of Federal-local cooperation in devising solutions to major problems, but a great deal remains to be learned about exactly what the Federal Government does—or could do—that is helpful and what it does that may be harmful or a hindrance to local efforts. These are the kind of facts that the urban centers hearings set out to develop.

In the 96th Congress, between June 25 and September 30, 1980, the committee heard testimony from 35 witnesses, all of whom had long experience in dealing with the problems common to urban America. These included one administration official (then HUD Secretary Moon Landrieu), the former head of the U.S. Civil Rights Commission, Dr. Arthur S. Flemming, three Members of Congress (Representatives Hawkins, Mineta, and Garcia), and a broad selection of urban scholars, policy analysts, national and community organization heads, and several city officials, including of course, the Mayor of Washington, D.C., and a number of the city's chief administrators. Coincidentally, these hearings began only weeks after the tragic Miami disorders of the spring of 1980. The timing of the committee's investigations was only coincidental because hearings on such problems had been planned before the eruptions in Miami. Following the Washington, D.C., national scope hearings, the committee set forth in the 97th Congress to examine those problems which it had learned of in settings widely perceived to be sufficiently different in geographic and socioeconomic character as to perhaps alter the character of the urban environment's most pervasive problems.

To test the validity of this view, the committee held sessions of the urban hearings in Philadelphia, a northeastern Frost Belt city; Los Angeles, a western city; and Houston, a southwestern Sun Belt city recently perceived to be enjoying an economic boom. The hearings held in these cities—juxtaposed and combined with the findings of the Washington, D.C., sessions—have left the committee with a remarkable record of the nature and status of the major problems faced by urban America.

The hearings conducted in Philadelphia, Los Angeles, and Houston centered on the special problems of these cities. The witnesses, though always qualified, were primarily local in terms of their concerns and involvement. They usually detailed the local character and special dimensions of the same problems that committee witnesses had singled out in Washington, D.C. The hearings in these three cities brought the total number of witnesses heard to 75.

Of great importance, especially in face of some of the interpretations commonly given to the idea of a "New Federalism," every witness who testified before the committee has agreed unequivocally that there is a necessary Federal role to be played in solving major urban problems. There is an unyielding consensus on the point that many of the problems of our urban centers are simply too enormous to ever be solved by cities (or States) acting alone. It has also been made clear that solutions are not likely to be simplistic. While the symptoms and manifestations of urban decline and decay are more or less precisely the same from one city to another, the experts are agreed that the dynamics are complex and that effective solutions may vary considerably. Thus, there is little cause for optimism about single-stroke solutions, especially those which tend to minimize Federal participation.

The committee has heard testimony on several other urban program ideas and related issues which merit future attention and discussion in some detail. These include (1) urban enterprise zones; (2) block grants (or "targeting"), and (3) the need to enable local communities to influence and become directly involved with the future selection of model sites for any forthcoming urban enterprise zones and the collection of certain data therefrom.

## PHILADELPHIA

The Philadelphia hearing brought strong statements of concern from witnesses about the deleterious effects of cuts in Federal support funds for a number of community social and educational programs. All of these concerns were serious and legitimate. However, because certain Philadelphia communities had recently teetered on the edge of violent outbreaks, the concern expressed by the district attorney that the loss of LEAA funds would substantially undermine law enforcement efforts in general and special prosecutorial activities in particular was ominous. The testimony of other witnesses underscored the seriousness of this concern by showing how other community problems were related to this particular problem and others, all connected at some point to the community's lack of a sufficient resource base.

## LOS ANGELES

The Los Angeles hearing also brought expressions of serious concern from a number of witnesses about the effects of cuts in Federal funds on local community programs. Witnesses also expressed great concern over the alarming rise of youth gangs and related violence in Los Angeles. The city was said to have more than 200 youth gangs, a problem arising in large measure from unemployment and the nonassimulation of recent immigrants.

### HOUSTON

In Houston, the committee learned from experts on Sun Belt cities that the economic boom in Sun Belt cities is deceptive. One of these, Dr. David Perry, noted that "the level of poverty in the major cities of the Sun Belt is higher than in similar cities in the Northeast." This, he said, was owing to the fact that "the major source of poverty for almost 75 percent of households in these areas of Sun Belt cities was not unemployment but underemployment." Unlike the Northeast where poverty is the result of people not having jobs, Dr. Perry reported that "poverty in the Sun Belt (results from) the jobs people have." Accordingly, he urged the committee to request the Census Bureau to begin once more to collect data on what he termed "subemployment." A "subemployment index," he stated, "would be better than an unemployment index any day." According to Dr. Perry, the Census Bureau was stopped from keeping such data by the Nixon administration.

An equally important observation was made at the Houston hearing by Mr. Gene Locke, a local attorney who was former director of HOPE Development, a nonprofit community-based organization. Mr. Locke noted, in regard to Reagan administration proposals, that the States assume principal responsibility for social programs under the administration's idea of a "New Federalism," that "because Texas does not have a history of being a State socially concerned about its citizens, we therefore don't have the administrative infrastructure to carry out the programs." That is starting point No. 1.

If you dump all of the money into Texas and say run all of the programs you want to, we don't have the machinery at the State level to do it. It would take years to develop that capability and people would suffer in the process. And that assumes the State of Texas in fact wants to develop the capability. That is really what is at issue here.

My assertion, my testimony, to be clear, and very clear, is that the State of Texas historically has not wanted to provide for the social needs of its people. It does not want to now. And in the immediate and foreseeable future it will not want to. Therefore, when massive infusions of Federal funds come to the State of Texas via block grants, even though they are earmarked as a block grant for education, the people at the lowest ends of the totem pole will not be the recipients of that block grant.

The chairman of the committee and a number of its members share this view. We are convinced that this lack of commitment and in-place bureaucratic infrastructure would seriously hamper the efficacy of any program efforts entirely dependent on individual State initiative and direction.

In conclusions, the problems in urban centers hearings documented the pervasive existence of the following problems in major urban centers:

(1) The physical infrastructure of many American cities (particularly those of the Northeast) is rapidly decaying and in immediate need of vast repairs.

(2) Many of our cities continue to be tinder boxes of potential violence; the wonder is that so few have exploded in recent years.

(3) Throughout urban America, minority youth unemployment has risen to the point of constituting imminent danger in our cities. There is an increasing disparity between black and white income and the rate of unemployment.

(4) The shortage of decent affordable housing (especially rental units) has reached crisis level in many of our cities and is likely to worsen if recent trends in condominium conversions continue.

(5) Public school systems are deeply troubled and failing badly in many localities.

(6) Police-community relations—having never been really good in most cities—have rapidly deteriorated over the past decade as Federal support dollars (LEAA) for training and programs continued to dwindle.

(7) Most localities are either or both unwilling or ill prepared to assume the principal responsibility for administering needed social programs.

As a result of its fact gathering and documentation of the conditions in urban America, the urban centers hearings have provided a solid basis for considering legislative remedies to some of the more obvious problems of our cities. Legislation tailored and addressed to these problems will be introduced in the second session of the 98th Congress. I would like to acknowledge and extend special thanks to the many witnesses and members of the committee without whose participation these hearings would not have been possible. I also want to recognize and thank those members of the committee staff whose diligent efforts and commitment brought about the effective organization and overall success of these hearings: Edward C. Sylvester, Jr., the committee's staff director, oversaw and directed all related staff activity. The responsibility of organizing each hearing was carried out by Donn G. Davis, senior legislative associate, and Dietra Gerald, senior staff assistant. Special thanks go to Mr. Keith Bea of the Congressional Research Service for the valuable research assistance he provided during the early stages of this undertaking.

The two published volumes of statements and documents which constitute the official record of these hearings were compiled and edited by Donn G. Davis.

RONALD V. DELLUMS,
*Chairman.*

# URBAN CENTERS, WASHINGTON, D.C., AND THE FEDERAL ROLE

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MONDAY, JUNE 15, 1981

House of Representatives,
Committee on the District of Columbia,
*Washington, D.C.*

The committee met, pursuant to call, at 10 a.m., in room 106, Ritter Annex, Temple University, 13th Street and Columbia Avenue, Philadelphia Pa., Hon. Ronald V. Dellums (chairman of the committee) presiding.

Present: Representatives Dellums, Gray, Dymally, and Edgar.

Staff present: Donn G. Davis, senior staff assistant; Bill Epstein and Johnny Apperson, staff assistants; Margaret Wright, minority staff counsel.

The Chairman. The full committee on the District of Columbia will come to order.

My name is Ronald Dellums of California. I chair the Committee on the District of Columbia. I would like to first thank my friend and distinguished colleague, Representative Bill Gray, for his very able assistance and cooperation in bringing these hearings to the city of Philadelphia.

I would also like to express my personal thanks to those of you who have agreed to come and share your time and knowledge with the committee as witnesses.

Before I turn the chair over to Congressman Gray, who will chair this session of our hearings, I would like to say a few words about these hearings to attempt to put them in proper context.

These are hearings of the full committee of the House Committee on the District of Columbia. The focus of our inquiry is the condition of urban centers, Washington, D.C., and the Federal role in assisting urban centers.

We began these hearings in the second session of the 96th Congress. They were started because myself and several of my colleagues were convinced that the problems of urban America had reached a level of urgency which could no longer be ignored.

For nearly a decade we have been witnessing the rapid deterioration of urban conditions. In fact, many of today's urban problems are now just as bad, if not worse, than they were at the time of the urban revolts and disturbances of the sixties, and I consider it ill-advised to stand by idly until the same events repeat themselves.

The unemployment rate for minority youth is a national scandal. And there is every reason to believe that this will get worse as the Reagan budget cuts begin to take effect. Affordable housing in our

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cities is a thing of the past. The system of public education is terribly burdened and near the point of collapse in more than a few cities across the country.

There is a disturbing amount of evidence that the relationship between police departments and citizens, especially minorities, are approaching the same archaic level that they were in the middle sixties.

The decaying physical infrastructure of many of our older cities is reaching a point of no return. Add to all of this a frightening level of street crime, and you have a glimpse of what our cities look like today. I believe that we have an obligation to act before the misery and the frustration in our cities spills over and fills our streets with tragedy.

I would like to note at this point that we have not come to Philadelphia because Philadelphia has any worse problems confronting people than any other place. We have good evidence suggesting that the worst of our urban problems are national in scope, so our stop in Philadelphia is just one of several that we hope to make in different major cities, all of which are troubled by the same ills.

Our principal concern is to look closely at the role of the Federal Government in efforts to solve major urban problems.

We know that many city problems are well beyond the resource capacity of cities, or States, to solve alone.

What we still need to know more about is how to maximize the effectiveness of Federal efforts to aid localities.

We have been looking at a number of problems and the Federal role in Washington, D.C. This undertaking in the city of Philadelphia marks the beginning of our effort to compare what is happening elsewhere with what we have seen in Washington, D.C.

I would like to acknowledge the presence on our panel today of my distinguished colleague and friend, the gentleman from California, Mervyn Dymally.

Again, I would like to thank Chairman Gray and those of you who have joined us in this effort as witnesses. And I turn the chair over to my colleague and friend.

Mr. **Gray** [presiding]. Thank you, Mr. Chairman.

At this time I would like to call on Congressman Mervyn Dymally for an opening statement.

Mr. **Dymally**. Thank you very much, Mr. Chairman.

Of course, I am very pleased to join with my friend and colleague, Congressman Bill Gray, in the "City of Brotherly Love," to conduct these hearings affecting the cities of America.

I, too, hope to have the committee in my district next month to deal with the same problems affecting all of us in America. And I am looking forward to having the District of Columbia Committee move across the Nation to examine some of the problems that affect the cities.

I am very, very grateful for this opportunity to join you, Congressman Gray.

Mr. **Gray**. Thank you, Mr. Chairman, and also my colleague from California, Mr. Dymally.

Good morning, ladies and gentlemen.

It is my extreme privilege this morning to welcome you to today's hearing of the full Committee of the House Committee on the District of Columbia.

I would also like to welcome our distinguished witnesses, who bring before the committee a wealth of firsthand knowledge and exeprience concerning the problems confronting our Nation's major urban centers, and in particular, those problems confronting the city of Philadelphia.

As the distinguished gentleman from California, Chairman Dellums, mentioned in his opening statement, we will attempt this morning and this afternoon to examine the deteriorating conditions and problems of our major urban centers.

And in particular we will focus on the problems of youth unemployment, crime, housing, and education.

We will also attempt to assess what the role of the Federal Government should be in assisting our urban centers, if we are to arrest and irradicate the blight, the unemployment, the undereducation of our children, and the crime that has become all too characteristic of our large metropolitan cities like Philadelphia and Washington, D.C.

This hearing is the first in a series of hearings to be held throughout the country by this committee. And ultimately, in assessing the role that the Federal Government plays in dealing with urban problems nationwide, we, the members of the D.C. Committee will better be able to determine the appropriate Federal response to similar urban issues which exist in the District of Columbia.

It is our hope, though, that through this forum we will be able to gain some "hands-on" insight and local perspectives on urban problems, which will help us, as legislators, to better conceive solutions, not only as it relates to the District of Columbia, but the Nation as well.

Any examination or assessment of what the Federal Government's role should be in assisting our cities must be viewed within the context of the ever-changing social, political and economic climate of the 1980's.

Today we find that:

Almost two decades after President Johnson declared the "War on Poverty," we still find that our Nation's inner city residents are ill-housed, and the national objective to provide every American with a decent, safe, and sanitary home is almost as far from being met today as the day we declared the "War on Poverty."

Despite the Reagan administration's unofficial and callous declaration that the War on Poverty has been won, the proportion of blacks living in substandard housing units is still more than three times that of the total population.

Today, 27 years after *Brown* v. *The Board of Education*, most nonwhite children still have not gained the educational opportunities enjoyed by their white counterparts.

Locally, our education system stands on the brink of utter collapse. With a projected deficit of more than $200 million today, massive curriculum and personnel cuts anticipated, and the school board, for all practical purposes, has abrogated its responsibilities—our school system requires nothing less than a massive overhaul if it is to survive in its present state of decay.

Today, unemployment, especially among our black teenagers, still remains at the intolerable high level of 37.5 percent. And some 13 percent of all 17-year-olds—nationally—are functionally illiterate—unable to do basic reading, writing, or counting, unable to understand the want ads, unable to fill out the job applications to get off of the unemployment rolls. More than one out of every five recent black high school graduates is unemployed.

Today, murderous attacks on inner-city dwellers, especially blacks, continue to make the headlines in cities throughout the country.

In the war on crime in Philadelphia, there is yet another major obstacle today. In a city that is about 35 percent black, of Philadelphia's 7,500 police officers, only 17 percent are black and 1 percent are Hispanic.

Furthermore, only 8 percent of the police department's supervisory ranks are black. Clearly, the statistics profile of black supervisors in our police department has sunk to an alarming nadir. In response, the city administration has chosen to do nothing except circle its wagons, hoping its critics eventually will grow weary.

Inflation and high interest rates are expected to remain high through 1982, squeezing even harder the family budgets of the majority of our residents who are poor to moderate income. Most of us are still just trying to recover from last year's recession which had its most devastating impact on inner-city residents.

Today, we find the proliferation of a conservative mood in this country which has the possibilities of totally eliminating the economic and social gains that our disadvantaged have achieved over the past two decades.

And coupled with this, we have a President whose budget and economic policies will stymie the revitalization of our cities, compound existing urban economic and social problems, and will inevitably require local government to raise local tax rates, as well as cut services to local residents.

My office, Mr. Chairman, has estimated that in Philadelphia alone, over $278 million will be lost in direct and indirect Federal support under the present administration's proposals.

The Reagan budget will not only wipe out some 310,000 public service jobs nationally—5,700 here in Philadelphia—but it will also eliminate Federal incentives to create and maintain jobs in urban businesses and invest in deteriorating urban areas.

The administration has also proposed a 33-percent cut in funding for urban housing, termination of funding for new transit systems, and sharp cutbacks in numerous community economic development programs.

In addition, cities will have to deal with proposed cuts in several other Federal programs which have a major impact on urban residents—unemployment assistance, medicaid, education assistance, legal services for the poor, juvenile justice and law enforcement assistance.

All of these factors point toward a slowdown and retrenchment in the Federal Government's commitment to meeting the varied needs of our Nation.

It is against this background and context that I asked the distinguished chairman of the House Committee on the District of Columbia to schedule today's hearing.

Again, I would like to thank Chairman Dellums and the other members of the committee and staff for their support and cooperation in this effort.

Mr. Chairman, if there are no further opening remarks, I believe we are prepared for you to call the first witness, who is the district attorney of the city of Philadelphia, Mr. Ed Rendell.

## STATEMENT OF EDWARD G. RENDELL, DISTRICT ATTORNEY, CITY OF PHILADELPHIA, PA.

Mr. **Rendell**. Good morning, Congressman Gray, and members of the committee.

I am pleased that this committee has taken its time to come to Philadelphia. About 10 days ago I was in Washington testifying before—at the request of—the House Select Committee on Narcotics Abuse.

And it seems like the problems that affect the city are being examined. But it seems that they are being examined in the context of almost a feeling of helplessness. And that is very depressing to us who fight the problems in the cities, because we talk and talk and talk, and it seems like the commitment is not there.

I don't mean the commitment of this specific committee or the commitment of the House Committee—Select Committee on Narcotics Abuse. Obviously, this committee and that committee are very seriously interested in the problems of the inner city.

But it seems to me that there is a mood in this country right now to somewhat write off the major older cities of this country. That will have tragic consequences, not only for the major cities, older cities of this country, but, frankly, for the entire country itself.

In Pennsylvania, as a State, we have a tendency—there are many people throughout the State who have a tendency to want to forget about Philadelphia, isolate Philadelphia, minimize the attention paid to Philadelphia's problems.

But that in the long run is very foolhardy because if Philadelphia falls as a city, I think the effects on the State of Pennsylvania would be enormous. And if the major older cities of this country fall, and become wastelands, the effects throughout this country will start as a ripple, but will end up as a tidal wave.

So I think it behooves all of us, not just these committees, but all of us, from the highest circles in Washington to the State governments, to the city governments themselves, to begin to look clearly, forthrightly, at the problems, and begin to take some immediate action.

By immediate action, I don't think we can wait. I don't think we can gamble that the plan of the current administration in Washington will pay off in the long run.

I would like to share with you an experience I had about 2 months ago, when myself and six other district attorneys from the largest jurisdictions in the country—the district attorney from Los Angeles, Detroit, Chicago; Mr. Daley from Chicago, and many other people, including, Miami—seven of the largest jurisdictions in the country went to see the Attorney General of the United States.

We didn't see him. We saw his first deputy, a man by the name of Schmults.

Our concerns are concerns I am going to touch on at the end of my testimony here today. They were basically the total withdrawal of Federal support for law enforcement efforts, both in narcotics and the entire spectrum of law enforcement efforts. We talked. We sat at a long table. And we went around.

And each one of us talked about our problems, our crime rate, the type of problems, what crime was doing to our cities. And even though I had experienced all of those things in Philadelphia, as I sat there at the table and listened to my colleagues, it was a very, very depressing session.

By the end of about 40 minutes worth of the seven of us describing our problems, crime rates, what has happened to murder and rape in those big cities, it was a depressing aura that had been created.

Then we sat back, and we were going to hear from the Deputy Attorney General, Mr. Schmults. And what Mr. Schmults said to us sounded like a robot with a pushbutton tape that was played, and it sounded like the party line which, I thought, as he was talking to us, was probably being handed out to all sorts of groups all throughout this country, who are asking for Federal assistance. And what he said in short was that, well, all of these problems, the problems that you have just enunciated are linked to the economic woes of this country.

In that, I think that there is a general sense of agreement. But then he said, it is the policy of the administration that those economic woes will be cured by balancing the budget, that balancing the budget can only be achieved by reducing Federal spending, and, therefore, by not giving you this money, we are helping you.

It took us a minute or two to reflect on the magnitude of this statement. Then when we gathered our thoughts we pointed out as politely as we could that even if they are right about their prescription to cure the economic woes of this country, that that is a 5, 6, 7, or 8 year plan at best, and I pointed out to the Deputy Attorney General that in the meantime that is 2,500 Philadelphians that die, that is 7,000 Philadelphians that are raped, that is 75,000 Philadelphians that suffer the terrifying experience of being robbed on the streets or in their houses, on and on and on.

I don't think we can wait in the crime problem area, and I don't think we can frankly wait in any of the other areas that are facing this country.

The one thing as I said that I do agree with the Deputy Attorney General on is that all of our problems in the city are intertwined, irrevocably.

Congressman Gray talked about youth unemployment. It is interesting to note that right now Philadelphia is experiencing the same horrendous crime rate as every other major city is in this country. Our violent crime rate increased 22 percent. And it is of little solace to the citizens of Philadelphia that statistically we remain the safest of the 10 largest cities.

That means virtually nothing. And within that 22-percent jump, the percentage of it caused by juvenile crime is enormous.

Twenty years ago, 1961, juveniles were responsible—understand, a very reduced raw number base—juveniles were responsible for 10 percent of the robberies in this city and 15 percent of the burglaries.

Twenty years later, and juveniles are responsible for approximately 50 percent of the burglaries, 45 percent of the robberies. Those statistics are absolutely alarming. And they ring absolutely true when Congressman Gray points out, as I do in my prepared statement, that youth unemployment in Philadelphia particularly, with minority youth, black and Hispanic, is at a staggeringly high level.

I don't think it is any secret that unemployment and crime are linked. If you were to take a huge chart and place on it two graphs, graph 1 tracing unemployment rates in every major city in this country, take the 20 biggest cities, over the last 80 years, and then you put the crime rate graph on that same chart, you would find that with very few exceptions, that crime rate and that unemployment rate track each other.

Now, whenever I say that someone usually points out, what about the Depression, the Depression was the worst economic time we ever had in this country and we didn't have much crime at that time.

Well, maybe not in raw numbers, but proportionately in the first 5 years of the Depression crime increased by 2½ times totally more than it did the 5 years before the Depression.

So things are irretrievably linked. Youth unemployment and bad education are obviously the core, the root causes of juvenile crime. Our total economic picture is the root cause, the core of our overall crime rate.

I have no background in finance, in economics, and I don't know what the shortrun answers or longrun answers are to our economic woes. I certainly know that it is counterproductive, in my judgment, for the Federal Government to decrease its presence in the area of employment.

It is fine, and we all hope that the private sector, with the projected upswing in the economy, will create more jobs. That may be so.

But for the older cities, with the core problems of the inner city, I don't think we can wait. I think that Congress should insist that, particularly for youth, employment programs continue to be maintained, and in fact be increased.

Second, I would like to briefly talk about my area of expertise, crime, because crime also is linked to all of the other problems. And crime causes businesses to leave the city of Philadelphia. No doubt about that. Crime causes taxpayers who would contribute to the tax base, homeowners, to leave the city of Philadelphia.

And all of it amounts to those businesses and those homeowners leaving the city of Philadelphia, it amounts to the shrinking tax base, which makes our municipalities, Philadelphia in particular, totally unable to fund any of the solutions to these problems.

Crime is something that is eating away at the core of the city, and in my judgment unless checked will eventually destroy it.

Given that type of atmosphere, given the 22-percent increase in Philadelphia, the 16-percent increase in Los Angeles, the 14-percent in Detroit, the 26-percent increase in Miami, given those types of increases, pretty much across the board in all American cities—Houston, Dallas, New Orleans—it makes no difference what area of the country the cities are in, crime is going up at a startling rate.

Given those figures, it is almost ludicrous for the Federal Government to reduce its presence, reduce its support, for law enforcement.

At this juncture, given those figures, the Federal Government should be doing everything it can to step into the breach. And what they are doing right now in Washington is talking a lot, and talking tough, and blowing off a lot of steam, but absolutely not in my judgment doing anything to resolve the problems of fighting crime in America, particularly in the cities.

You heard the Attorney General at his confirmation talk about violent street crime being the No. 1 priority of the Justice Department.

We all know that the Justice Department cannot prosecute rapes and robberies and murders. Those remain the province of local governments and State governments. Therefore, if it is in fact their No. 1 priority, and every couple of weeks we hear more from the Reagan administration about how crime is their No. 1 priority, if in fact that is true, there is only one way that they can aid us, and that is to not only maintain the prior levels, but to increase the Federal commitment to local law enforcement.

By that I am not urging that this committee or any committee begin the resurrection of LEAA. I do not think we need another bureaucracy. I do not think we need a lot of our money channeled into administrative costs. What we do need is direct Federal funding to the major areas of the cities of this country, the major urban areas, to supplement our crime fighting efforts.

For example, before the cuts that killed LEAA, the district attorney's office in Philadelphia had approximately a $9.2 million budget. $1.2 million of it was Federal funds. They helped us fund a rape unit, which gave specialized treatment and vertical prosecution to cases involving victims of rape. A career criminal unit, probably the single most impressive and successful LEAA program around the country.

A domestic abuse unit that focused attention on one of the most serious problem is in the cities today, the problem of spouse abuse. A juvenile victim witness program. A sentencing unit, which allowed us to prepared detailed sentencing reports to get the type of information to judges to really give them a true picture of a hard-core offender.

Units like this, across the board. And there very existence was threatened and jeopardized by the pull back of Federal funds. Fortunately, crime is such an important issue in Philadelphia that I was able to convince our city council to step into the breach and allow us to continue scaled down versions of each and everyone of those units.

They picked up some of the funding. But the ability for us to create new responses, to criminal justice system problems, is over without the Federal presence. It is absolutely plain and simply over.

We will not be able to increase our crime fighting apparatus in the DA's office, in the police department, in community groups where we fight crime as well, and community-based programs.

We will not be able to increase our efforts commensurate to the increase in the crime rate. Narcotics enforcement in this country frankly has never been good. But at a time when narcotics, when the heroin trafficking is beginning to pick up, the Federal Government is not only not giving us in the cities any more money to fight narcotics trafficking, but they are cutting off the Drug Enforcement Administration task forces, which have been the only successful vehicle nationwide for fighting that type of high-level drug trafficking.

Congressman Gray full knows, because it was only through his efforts that Commissioner Solomon, myself, and the managing director of our city went down to Washington 1 year ago to plead with them to delay the execution of the drug enforcement task force, the Federal Drug Enforcement Task Force, for another year.

And only through Congressman Gray's intervention, and only probably because of the fortuitous timing of a Presidential election coming up 3 months later were we able to persuade them to keep it alive another year. But now it is ticketed for extinction. And that makes no sense at all.

I would like to close by saying we in law enforcement, and we in the big cities, are aware of the need to reduce spending; are aware of the need to try to balance the budgets. But as I said before, the narcotics, Select Committee on Narcotics Abuse, the Reagan administration loses all its credibility when it tells us that there is no money available for our programs, that there is no money available for the inner city, that there is no money for fighting narcotics trafficking.

They tell us that at one time, and the next day we pick up the newspapers and read that we offered $400 million to Pakistan, and they turned us down. Well, that $400 million must be floating around somewhere. And if you broke that $400 million down among the 20 largest jurisdictions in this country, 20 largest cities in this country, that would give law enforcement a significant shot in the arm, as something it hasn't had in the history of this country, and in my judgment we could go a long way toward battling narcotics traffic, cutting down on repeat offenders in violent crime, cutting down on violent sex crimes and attacks.

That is the type of commitment we need. We don't need $35 million spent on El Salvador to protect us from a handful of insurgent rebels.

I would submit to you gentlemen that the people of this city feel very little threat from those insurgent rebels in El Salvador. But they feel frightened to death by the criminals in Philadelphia. The people of this city in every geographic area really have very little interest—their security is very little threatened by what goes on in the far-off country of Pakistan. But their security and their very lives depend on their ability to take public transportation without fear of getting mugged or killed or raped or violently attacked.

Their very lives and the very security and well-being of their lives depends on their ability to live in their own houses without fear of violent home invasion. So the administration can't in my judgment, have it both ways. They cannot tell us that we in the cities and we in law enforcement have to bite the bullet and bear the brunt of the spending costs, while at the same time money gets spent on projects that may well be worthwhile in their own context, but when given the total magnitude of the problems facing Washington, D.C. and Philadelphia and San Francisco and Los Angeles and Boston and Chicago and Houston and Detroit, given that magnitude, those problems must be low on the list of priorities.

And until this country starts prioritizing like that, Philadelphia is in trouble, all those cities are in trouble, the States that they are in trouble, and the country itself, in my judgment, is in significant trouble.

Thank you.

[The prepared statement of Mr. Rendell follows:]

## STATEMENT OF DISTRICT ATTORNEY EDWARD G. RENDELL

Thank you for the opportunity to testify today on the conditions of major cities and the role of the federal government in dealing with the problems of urban centers. As District Attorney of Philadelphia, my testimony will deal primarily with the increases in major crimes. However, it is my firm belief as an experienced prosecutor that crime rates are the by-product of many causes including our socio-economic situation.

In Philadelphia, there was a 22.5 percent increase in major crime in 1980. This pattern is consistent with that of other major cities. When we discuss crime rates, there are very few who would disagree that there is a direct correlation between unemployment and crime. In my judgment, there is no greater root cause of crime than unemployment. This is currently, statistically supportable when you compare the crime rate and unemployment rate in America's cities over the past twenty years. Philadelphia has the highest unemployment rate for black youth in the nation. Amidst this background, there has been a cutback in federal jobs programs such as CETA. Reductions in programs to provide jobs, housing, and social programs have also had an impact on the crime rates. Current budget cutbacks in these areas coupled with the economic climate can only continue to be a major contributing factor to the crime problem. As District Attorney, I believe that swift prosecution and tough sentences are vitally important and we must do everything we can to make these goals a consistent reality. But one of the major things that we can do to cut the urban crime rate is to increase employment. Without an increase in the employment rate, there will be no relief in the upward spiral of violent crime. I am certainly not an expert in finance or economics and I leave to the Congress the best way to combat unemployment and our failing economy. I only suggest that we must do so and that we cannot afford to wait for long-term solutions.

Currently, urban courts, district attorneys' offices, and police departments are overburdened. During 1980 alone, over 46,000 defendants were processed through the Philadelphia courts. Because of the dramatic increase in crime in urban centers, I believe that it is absolutely necessary for us to not only maintain law enforcement, both the police and the prosecutor's offices, at its present level, but it is incumbent upon us to significantly increase their capabilities to fight this additional caseload. The efficient operations of police and prosecutors must keep pace with these trends, and the resources we have available to fight crime must be increased in proportion to increases in violent crime.

During these times of government cutbacks in Washington, coupled with our well-known financial problems in major cities, we all can appreciate the need for reductions in spending and balanced budgets. However, in the last six months, several major magazines and television stations have focused on violent crime and the fear of citizens in all major American cities. Public opinion polls cite crime as the major issue to many Americans. In light of increasing crime rates and public concern, increased funding for fighting crime must be a priority to those of us involved in government.

Over the last ten years LEAA has been a major source of funding for urban court systems, district attorneys' offices, and police. Only through LEAA funding have these agencies been able to cope with the increases in crime and create new innovative programs to deal with specialized problems. The shrinking tax base of the cities has prohibited funding necessary to develop such programs. LEAA continually subsidized the modernization of courts, the improvement of the efficiency of the system, and enabled the citizens to be provided with increased protection.

For example, since I became District Attorney in January, 1978, our office had received LEAA funding to establish a Domestic Abuse Program to aid battered spouses; to create a Career Criminal Unit to place special prosecutorial emphasis on the preparation and trial of cases against the hard core, repeat, violent offender; to create a Sentencing Unit which enabled our office to provide judges with total information about a defendant's prior criminal history; and to supplement our Rape Unit so that it could add extra attorneys to give the rape victim special attention. The Rape Unit has had a major impact in almost doubling the conviction rate and in creating a vastly improved climate for the victim. The Career Criminal Unit has been equally successful in obtaining a 90 percent conviction rate and significantly increased prison sentences for the violent repeat offenders who cause a major percentage of our dangerous street crimes. The existence of both of these units has enabled us to have vertical prosecution—where one Assistant District Attorney is assigned to the case from its inception through trial and sentence—which has greatly improved the preparation of these criminal cases. The Juvenile Court Victim/Witness Unit, also funded by LEAA, has proved most successful. Because of the elimination of LEAA funding, there is no longer the potential to fully subsidize such innovative and effective programs. The City Council of Philadelphia gave us some additional funds to allow these units to continue a scaled-down existence, but there is absolutely no money available for any new programs to meet the increase in crime.

I believe that it is imperative that the federal government again become involved in the fight to combat violent crime. I think it is essential that a replacement be found for LEAA. We are not suggesting that LEAA as an entity be revived. Rather, we believe our goal could be accomplished with legislation that would create direct matching grants to the major cities for law enforcement purposes. Therefore, I support the passage of the Hughes Bill (H.R. 3359) which would provide up to $150 million in crime-fighting assistance. Local and state governments would be required to match every dollar, making the potential for $300 million to concentrate on major problem areas. In fact, we believe that the Hughes Bill should be supplemented with additional matching funds. Last week I testified before the House Select Committee on Narcotics Abuse. I recommended to them that a supplemental appropriation be made to the Hughes Bill with those funds being earmarked for local law enforcement's efforts to combat the increase in drug trafficking. I make the same suggestion to you. The criminal justice system is in a holding pattern at this time. We are barely meeting the daily demands. Without the intervention and assistance of the federal government, the tide will not be turned.

As the crime rate increases and conviction rates rise, there is also the need to provide new prison facilities. As you know, Chief Justice Burger has called for expanded rehabilitative efforts in our nation's prisons. There is a definite need for swift and sure punishment for violent offenders. There must be adequate facilities available to handle the increase in violent defendants who will be sentenced to jail for longer periods of time. Again, it will be difficult for state and local governments to find the funds needed for construction of new prisons. We would urge the federal government to become their financed partner in this effort. We urge this committee to consider supporting Senator Dole's Bill which would make federal matching funds available to the states for prison construction.

Again, we fully realize the current efforts by the Reagan administration to reduce federal spending and to balance the budget. However, the administration cannot credibly tell the citizens of Philadelphia, New York, Boston, Los Angeles, Chicago, Detroit, Cleveland, Dallas, and all our major cities that there are no federal funds available to aid law enforcement when it recently offered Pakistan $400 million in aid which offer was in fact rejected, and when it pours $35 million down to El Salvador to support a military junta. Candidly, the people of Philadelphia—from Kensington to North Philadelphia—care little about conditions in Pakistan nor do they fear the insurgent rebels of El Salvador. They do care about the safety of their streets. They do fear the violent criminals who have made them prisoners in their own houses. That $435 million that was earmarked for Pakistan and El Salvador, if distributed equally to law enforcement agencies of our 20 largest cities could enable us to begin to really cope with violent crime and, in my judgment, to eventually control it.

Mr. **Gray**. Thank you very much, Mr. Rendell, for your testimony. I will start off the questioning.

You have, I think said very clearly that you believe that there is a relationship between economic problems and crime. And that as the economic picture worsens in an urban environment, crime escalates.

And you cited 2,500 people will die, 7,000 raped, 75,000 will be the victims of robbery and burglary.

And you point out the increased crime rate here in the city of Philadelphia over the last year—I think you said about 22 percent. Do you see the economic downturn here in Philadelphia as being responsible for most of that increase in 1980 to that economic downturn?

Mr. **Rendell**. Sure. I think the problems of this country, economically, started to go back in the second half of 1979 and 1980. I think the crime rate—the first 2 years I was in office, 1978 and 1979—the crime rate was fairly stable. It was only in the last quarter of 1979 and in 1980 that the crime rate made up a significant increase, a significant jump.

I think those were interrelated with the economic problems facing our country. Now, of course, crime is the product of no one cause. We all know that. I could cite you six or seven other causes—the general weakness of our justice system, the breakdown in family control and discipline that occurs.

Those are all contributing factors, as you well know. but the No. 1 cause in my judgment has been the deterioration of the economic situation.

Mr. **Gray**. There are those who argue that other aspects play a much more important role—the breakdown of the family, the breakdown of discipline in the society, that that is a much greater causal factor than economic factors. And you basically would disagree?

Are you saying that they are part of the causal package, but not No. 1?

Mr. **Rendell**. If I could identify the three biggest causes in this city for the increase in crime, I would say—almost 33 percent each—they would be the deterioration of our economy, the breakdown of family discipline and control—that is obviously a factor that goes into the juvenile crime rate increase—and, third, the weakness of our justice system.

But if I had to pick one as the leading cause, I would say the breakdown in the economic conditions.

Mr. **Gray**. In your work of law enforcement and prosecution, there are those who argue that there are just some people in our society who are criminally oriented; they almost imply that it is genetic—totally corrupted, incorrigible people.

Do you come across that in your work, and if so, what percentage would you estimate to fall into that category?

Mr. **Rendell**. I think what you are referring to is the double Y chromosome theory. And I think from my own experience, not just as district attorney, but from the years that I spent as assistant district attorney, I think there are those people who do exist.

There are those people who are violent almost from birth. But they are a very, very minute segment of the people who commit even violent crimes in this country.

I would say that if you took every thousand violent crimes, maybe 5 to 10 are committed by that type of person. The vast majority of our violent crimes stem from economically related causes.

That obviously leaves out sex crimes. And I don't mean to minimize sex crimes. But the vast majority of our murders come from robberies or burglaries. The vast majority of the robberies and burglaries are committed by people who are unemployed and don't have a lot of money.

Obviously, there are exceptions. There are people who are well off who, for whatever reason—severe mental problems perhaps—do commit robberies and assaults. But nonetheless, by and large, the double Y chromosome, in my judgment, is very minute—accounts for a very minute portion of the violent crime that is committed in this city.

Mr. GRAY. If you had to describe the victims of crime in the city of Philadelphia, how would you describe the average victims here in the city?

Mr. RENDELL. It is very easy. Our statistics indicate that almost 73 percent of the victims of the 35 most violent crimes—homicide, rape, robbery, kidnaping and arson—73 percent of those people are black, and about 84 percent come from areas that are economically depressed.

So about 73 percent black, 84 percent poor.

Mr. GRAY. And who are the perpetrators?

Mr. RENDELL. The perpetrators, about 82-83 percent ratio fall in the category of being black and poor as well.

Mr. GRAY. So, in a real sense you are saying that the whole question of crime, a major part of it, is in the minority community?

Mr. RENDELL. There is no question about that.

Mr. GRAY. They are the victims of crime more than anyone else in the city of Philadelphia?

Mr. RENDELL. No question. And that is why in your opening statement, although I guess this is not the direct work of this committee, but the need for increased percentage of black officers on the force is enormous, because of that problem.

In my office, we have 80 detectives. One of the things I have done is upgrade the number of black detectives we have, not for political reasons or any reasons like that. But for the very simple reason that our detectives mostly do the work of finding witnesses, finding witnesses for those criminal cases.

If 72 percent of the victims are black, and 83 percent of the defendants are black, what would you guess that the vast majority of witnesses are going to be? Obviously, black. And, obviously, given the same type of talent, a black detective is going to have more luck getting cooperation and finding witnesses in North Philadelphia than a white detective would.

And for very simple pragmatic reasons, we have tried to upgrade both the number of black detectives and the number of black assistant district attorneys in our office, because you are right, crime in this city is, to the vast majority extent, a poor and black problem.

Now, the crimes we tend to read about in the newspapers tend to be those crimes that cut across racial lines either way. But they are, percentagewise, a very small number.

Mr. **Gray**. Let me just pursue that point a little bit further.

In my statement, my opening statement, I pointed out here in Philadelphia, in a city that has over 35-percent black population, and you add the Hispanic population, the two come to above 40 percent, and we have 7,500 police officers, and only 17 percent are black, 1 percent is Hispanic.

Do you find that is a real problem in terms of law enforcement? Particularly as you look at the figures declining from 1967—actually, the number has gone down.

Mr. **Rendell**. That is a significant problem. There is no question about it.

Mr. Gude, the managing director, has tried to address himself to that problem. I know we have been studying the city of Detroit, which had an affirmative action program which significantly increased the percentage of black officers on that force, and which maybe coincidentally, maybe noncoincidentally, shortly after that happened, the next 2 years, the crime rate in Detroit actually went down.

I don't know if that is obviously directly linked. But I think it is a great help.

Mr. **Gray**. At least in your experience, in your office as the district attorney, you have found that to be a very helpful direction to increase minority representation in light of the statistics on crime.

Mr. **Rendell**. No question about it.

The chief of our homicide unit is a white male by the name of Joe Murphy. Every time there is a vacancy among his detectives, he always argues long and hard for a black detective to be sent down to his unit, because they are just more effective because of the nature of the problems he deals with.

I think, as I said, the city is studying that problem, as you pointed out sometimes the administration here is cautious in its approach to things. But I think they are aware of it and have been studying it, and I expect to see some remedial action.

Mr. **Gray**. Thank you, Mr. Rendell.

I yield to my colleague from California, Congressman Dymally.

Before he begins, I would like to acknowledge the presence of State Representative Mark Cohen, sitting in on these hearings.

Mr. **Dymally**. Mr. District Attorney, two very short questions.

What reason was given to your delegation for the Attorney General's absence?

Mr. **Rendell**. None. We requested, of course, to speak with the Attorney General himself. Frankly, we were a little disappointed, considering Mr. Van de Kamp had come from Los Angeles; considering the district attorney from Miami, Janet Reno, had flown up from Miami. It was the shortest hop for me.

There was some feeling of disappointment about that. I think we were officially told he had a prior commitment.

Mr. **Dymally**. Was Mr. Schmults advocating a theory that there was a direct correlation between a decrease in crime and a decrease in spending?

Mr. **Rendell**. Yes, if you follow that one step further. Its decrease in spending was going to make the economy prosper, therefore, there would be more jobs, a better economic condition and crime would go down.

Like I said, even if they were right, we are looking at 7, 8 years down the road.

Mr. **Dymally**. There has been a great deal of emphasis on the role of the private sector in the new Reaganomics.

Do you see a role for the private sector in the reduction of crime as they anticipate with employment?

Mr. **Rendell**. I think there is no doubt that if the theory, that the Reaganomic plan is based on, if that theory works, if these cutbacks and if the tax cuts, et cetera, will generate more activity in the private sector, and that activity leads to jobs, I think that would be a help.

There is no question about it. I don't think any of us want to discourage the private sector from getting into that area.

We would like to see businesses expand. Here in Pennsylvania we have tried to work out a tax credit incentive plan for businesses on their State business tax, for every person that they hire over the welfare rolls.

And I would like to see the private sector get more and more involved too. Obviously, there is a role. But that role is down the road. What we tried to indicate is we cannot wait. Rather than cut CETA, in my judgment—CETA got a bad name because there were some CETA programs abused.

That is always the problem with Federal programs. There is abuse built in. There is no question about it. But our job is to curtail and limit that abuse, rather than throw the entire program out. It is literally throwing the baby out with the bath water.

There were some abuses in the CETA program. But I can tell you from an office that has had about 8 percent of our work force being CETA employees over the 3 years I have been district attorney, those CETA employees have done great. Many of them have gone on to get jobs in the private sector.

The CETA program has worked in theory. Many of them have gone to college as a result of the experience they have had in our office. I have seen it work on a firsthand basis.

Mr. **Dymally**. Thank you, Mr. Chairman.

Mr. **Gray**. Mr. Dellums.

The **Chairman**. Thank you, Mr. Chairman.

First I would like to comment on a few statements you made, Mr. Rendell. You mentioned it was your perception that it looks as if we are writing off the older cities of this country. It is a very important statement. And then at the end of your comments, you were speaking about what the real threats are, and how people in the city of Philadelphia perceive the real threats—not the insurgents in El Salvador, et cetera.

There is also one other major perceived threat on the part of this administration. I think we ought to speak about it just a minute to place these hearings in proper context.

This country is preparing to spend, during the decade of the 1980's somewhere between $2.5 and $3 trillion on the military function alone.

In the 1970's, this country spent $1 trillion. In the eighties, we are going to spend 2½ to 3 times as much.

Last year America spent $173 billion on the military budget, budget authority. This year we are going to spend somewhere in the neighborhood of $226 billion. It is anticipated using President Reagan's rather conservative budget estimates, that by fiscal 1986, the military budget will exceed $367 billion of budget authority, per annum.

If you walk that all the way out to the year 1990, we are talking about an astronomical amount of money.

A number of us have tried to look at these budget cuts—$48.4 billion in reduced budget figures, and the $53.3 billion increase in the military budget. We have arrived at an interesting conclusion.

There are really three ways to finance this tremendous increase in America's military budget. You either levy new taxes—no politician is advocating that. Or you engage in deficit spending, you spend more than you take in.

But as you pointed out, this administration has tied themselves to the rhetoric of the balanced budget.

So you go to the third way of financing these increases and that is you chop, cut deeply into the nonmilitary side of the budget in order to finance this increase.

In my estimation, that is the least politically risky way of doing it. So you assault programs that serve constituencies that didn't catapult you to political office, that serve constituencies that have been perceived as powerless.

You take on programs that have some emotional or controversial content. You deal them big liberal spending programs or whatever.

So one day you cut $48.4 billion out of the nonmilitary side of the budget. Two weeks later you increase the military budget by $53.3 billion. The perceived threat being the Soviet Union.

I believe that if America is going to explode, it is not going to be from a nuclear device triggered from the Soviet Union, but from the social dynamite of not solving the myriad of human problems, which takes us back to your original thought that we are writing off the cities of this country.

I think the cities of America are on the verge of incredible disaster, and that it is rapidly becoming monuments to our madness, and not our generous and sensitivity. And that virtually every institution in urban America is suffering tremendously.

Fifteen years ago if you looked at Philadelphia's budget, I would imagine that Federal moneys would not be a big ticket item in that budget. But just as every other major city, Federal expenditures have become a large item in the budget.

It is now going to become an increasingly smaller item by virtue of these cuts which reduces the capacity for us to function. So I think that you are absolutely right. The reason why we are holding these hearings is to try to make that statement to our leadership, to the people of the country, that the cities of this country are in difficulty, and that we have got to examine an appropriate Federal role. So we are here in a very serious way.

We also agree with you that there is a great deal of talk going on and very little being done. My hope is that what these hearings will do is dramatize, the problem, the magnitude of it, the urgency of it, the significance of it, and hopefully begin to focus very clearly on the role of the Federal Government.

We are not optimistic that these hearings are going to rattle this administration. But we feel the one factor that has to be inserted into the equation is the knowledge of people at the local level and public opinion. So maybe these hearings will play some useful role.

Mr. **Rendell**. I hope so.

You know, your point about the military expenditures as counterbalanced to domestic is not a point that is just made by people who would be classified as political liberals.

I don't know—I am sure you are aware of Chief Justice Burger, certainly not considered to be a raving liberal, his speech before the bar association in Houston, when he made the very point you have just made, that we spend millions and billions on spending to defend ourselves from foreign invasion, but absolutely totally ignore the need for domestic security.

As I said, in fact I said to the Deputy Attorney General that the scorecard over the last 10 years in Philadelphia is pretty clear. The Russians have killed no Philadelphians, and the criminals have killed 4,700. And those are pretty stark figures. And that is not to say that we should become weak in our defense posture.

I think we should remain strong. But I think again there has to be sanity in viewing those two things. When the criminals from within are terrorizing our city, are terrorizing the poor, terrorizing shoppers, terrorizing everybody, they have got to be combated. And the funds have to be there to combat them.

And, of course, we also should try to remain strong against foreign invasion. But those things have to be balanced. I note in my prepared testimony, and I didn't mention it verbally, but I am urging this committee to focus attention upon the Hughes bill, Congressman Hughes' bill, House bill 3359, which calls for what we consider in law enforcement a piddling sum of $150 million to be made available for matching funds for States and local governments for fighting crime.

Now, think about the dimensions of what you just said. The military budget goes up $53 billion. And even the Hughes bill, which I am sure doesn't even have the sanction of the administration, has that low a figure.

In my prepared testimony I asked this committee to focus its attention on the Hughes bill, and try to add to that sum for both narcotics enforcement and general crime fighting problems.

Again, what it boils down to—you have many other witnesses here—what it boils down to is prioritizing. If the money plain and simple wasn't there, we would not be knocking on the door. But we don't believe, because of what we see in foreign affairs, in military spending, we don't believe that the money is not there.

I would like to know what is going to happen to that $400 million that was offered to Pakistan. How about Philadelphia? We begin with a "P," maybe we can get in on it.

The **Chairman**. I have a couple of very specific questions I would like to raise with you.

Last year when we were holding the hearings in Washington, we also heard from a number of law enforcement officers, several of whom went back to the Kerner Commission report, and quoted from the recommendations from the Kerner report.

At one point, when the Kerner report was being written, the issue of the relationship between the community and the police was something that was being examined. And the problems of police-community relations, particularly as it related to black and Third World communities, were tremendously exacerbated.

A number of programs emerged as a result of that period in our history. In an effort to sensitize the local police departments—some police departments established community relations units, human relations operations, affirmative action programs, sensitizing of the police at a variety of levels.

But they point out that in this period of fiscal conservatism, where there is significant cuts in the budget at the Federal level, the State level, and a reduced capacity of people at the local level to—reduced desire to finance local initiatives, bond issues, as these police departments begin to cut back, to meet this moment, the first programs that go out the window are the programs that were instituted as a result of the 1960's, and their thought was that if this continued as a trend, that rather than going forward in a progressive fashion, that we are in a retrogressive posture, and that we are moving ourselves back to a period when the explosions emerged in the 1960's, because we are doing away with those software programs that made an effort to sensitize the local police.

Can you speak to that?

Mr. Rendell. Yes. I think that is undoubtedly true. And I think our current administration deserves credit for increasing those efforts.

Over the last year and a half they have become very community relations conscious. And I think they have done a much, much better job in that area. That is not to say all of our problems are going in that area. They are not. But you are right.

As the Federal funding or any funding support is withdrawn, obviously you cut off programs which are not your old line, hardcore programs. Even in our office, if we had lost all that Federal funding which we did and if the city council hasn't given us funds to take its place, obviously, the juvenile victim witness program would have gone—even though it is a very valuable program, because it is not necessary to the absolute existence of our day-to-day functions.

It is a very important plus, but we can still technically fulfill our functions without it. The rape unit would have gone, because it, again, is not necessary to our absolute functions.

We could try rape cases by putting them back in the mix and not have specially trained and sensitized prosecutors to try rape cases. That costs more money. That unit would have gone.

Career criminal, the same thing. All of the innovative, progressive programs in any agency, whether it is police, district attorney, the juvenile justice system, all those progressive programs are in fact the first to go. You literally circle the wagons and go back to the very subsistence functions you carried out in the past. And that is the great tragedy of the for law enforcement.

At a time when we should be more creative, more progressive, more responsive to the problems caused by 22-percent increase in violent crime, what is happening is we are being called upon to do less. And it is a great tragedy.

The **Chairman**. Let me ask a follow-on question to the question that Mr. Gray raised with you regarding blacks and other minorities in the police department.

During the sixties and the early seventies, again responding to the tremendous conflicts between the police and the black community, Third-World community, low-income community, one of the recommendations clearly was that you needed to have people who came from the community, who could identify with the problems of people in the community, which meant then you needed to have a larger number of blacks, Hispanics, other Third-World people, and women, in the police force.

You indicated in response to Mr. Gray that you were very sensitive to that. Can you describe for me what specific steps this city is or has been taking with respect to heightening the number of blacks, other minorities and women in the police department?

Mr. **Rendell**. Well, over the last decade the answer to that is none. We have a civil service system which as it is currently structured requires the city to hire based on pure test results, to hire for initial entry onto the force, and then promotionwise—it is on pure civil service.

There is no discretion which would allow any sort of affirmative action for women, blacks, whatever. The only progress made over this decade is via a Federal lawsuit which regrettably forced the city to set up quotas for women, blacks, et cetera. And that Federal lawsuit really has wound down and isn't very prevalent and doesn't have much of an effect right now.

One of the things I think the administration is studying, and I underline the word studying, is what Detroit did—Detroit also had a civil service-type system—what Detroit did to modify the civil service system, to allow some affirmative action, in both entry level and in the promotional system itself.

Civil service is on paper a good system. Its theory is a good system. And it tends to work generally to be very beneficial, I believe. However, to promote—in our office, we have eight sergeants taking a test for two lieutenants' positions.

Under civil service, we have to ignore what they have done over the last 2 years, and just go on the basis of a 1-hour written test.

Now, that makes no sense. No company anywhere would promote that way. It also forces us to ignore the need for a balanced hierarchal structure with blacks, whites, women, et cetera.

We are required to go by the strictest results. The only discretion I have, if there is one spot, I can pick from the No. 1 or the No. 2 finishers. And that is the problem that the city administration is laboring under now. And they have to move to break that logjam.

As I said, they are studying it. I know we have leaned heavily on the Detroit experience.

The **Chairman**. I just have one final question.

You mentioned earlier, I think in response to Mr. Gray, or perhaps in your opening statement, the loss of Federal funds by LEAA and other sources.

I assume, then, that that means it diminishes your capacity to function. How many of those areas would be realistically picked up by local funds if the Federal funds are cut off?

Mr. **Rendell**. Well, for our one particular office, we were able to convince city council to pick up all of them on a scaled-down version. So they are 70 percent, let's say, as effective as they were before the Federal funding ran out, or is going to run out June 30—scaled-down version. But we were very lucky, because at this time in this city there is a tremendous impetus from citizens for our city government to fund law enforcement efforts.

That is a one-time happenstance. Next year, if I want to create new programs, it will not be there. The money will not be there. Traditionally, the resources for innovative programs over the last decade have come from the Federal Government. They are just not going to be there.

And look at narcotics enforcement. Cut off the DEA task force, and the burden that is going to be placed on us in local government to investigate high level drug trafficking is going to be enormous.

It just seems to me there is no rhyme or reason for the cuts. They are obviously not only hurting us, but even if they were maintained 100 percent, that is not enough, because we have a 22-percent increase.

So our response ought to be up 22 percent as well.

The **Chairman**. Mr. Chairman, I just have one final question.

Mr. **Gray**. Believe me, I will not gavel the Chair.

The **Chairman**. A number of people have said if we continue down this road of budget cutting, the atmosphere of fiscal conservatism, as it affects the local community, that we could end up not tougher down the road with budget cuts that cut off programs and cut off policy. That our city councils could end up really being police commissions and the fire boards, so that the only function that the city council would actually have any jurisdiction over would be the police department and the fire department, because we are cutting back on all other programs and services to human beings.

And the implications of that, it seems to me, are enormous. I would appreciate it if you would comment on that.

Mr. **Rendell**. As I said, that won't work. Even if you were to tell me, OK, there is going to be all the money you want for law enforcement and fire protection, et cetera, all the money for security, but no other money is going to be available, Federal, State, or local, then the cities won't last either, because it helps us to have increased resources to fight crime. There is no question about it.

It makes us more effective. But anybody who thinks that we can solely win the war against crime in the big cities by just funding law enforcement has got to be crazy.

The **Chairman**. The point you are really making is that a majority of the crime we are confronting in the cities are directly related—are a direct result of our political and economic policies.

Mr. **Rendell**. There is no question about that.

As much as the crime rate has swept all over the cities of this country, the citizens of Los Angeles recently in a referendum turned down a tax increase to put 1,100 additional policemen out on the street. So there comes a time when even the citizens realize that dollar after dollar in law enforcement is very helpful, but it is not the sole answer.

Now I think in Philadelphia today, if we had that type of referendum, it would win. But that is because of particular problems here in the city. But there is no question, even if that day comes, and, frankly, I don't see a willingness on the part of this administration to even fund the local peacekeeping forces to the degree necessary.

So I don't know if that day is coming. But if that day comes it will be a sad day for the cities and the States, and a sad day for the United States of America.

The **Chairman**. Mr. Rendell, I thank you for answering my questions.

Mr. **Gray**. Thank you, Mr. Dellums.

I want to ask one last question. I want to play the devil's advocate.

One of the arguments that is given for many of the present policies that are being pursued with regard to LEAA, community legal services, is that local government has to do more for itself—local government can make decisions for itself, local government can do the same prioritizing that you have just mentioned, and thus by making these cutbacks, it is up to the local government, city councils, county government, State government, that then make the decision as to whether they want to use that money for crime, education, mass transit, et cetera.

Thus, the illustration that you gave about the Federal funds can cut back for the rape unit and local government coming forth to provide those funds would seem to substantiate that argument.

How do you feel about that position? How do you respond to that position, when someone says Mr. District Attorney, you have just said that the rape unit was cut out federally, but local government came forth and funded it.

We are suggesting out of Washington that local government has to bear more of its fair share, and State governments, and that is why we are making these cuts, and local government can respond.

Mr. **Rendell**. I want to point out that although the city council did come forward and did so courageously in my judgment, that we got only scaled-down versions of all of those units. They were not kept intact fully.

So the efficiency of those units are scaled down, No. 1.

No. 2, I don't think there is anything wrong with giving the money directly to local government and cutting out a lot of the Federal bureaucracy. In fact, that is what we are advocating. That is what the Hughes bill will do.

It doesn't set up a new bureaucracy, but allocates Federal money and gives it back to us for us to determine what the best way to use it within the law enforcement community is.

And all of that would be all well and good if the people who are making that argument could structure a way for us in local government to expand our financial resources. But in fact, what is happening, as we all know, is the resources available to the local governments are shrinking.

You cannot raise property taxes anymore, because it ceases to be effective. You drive enough homeowners and property owners out, the raise in tax is counterproductive. You get less money in.

Frankly, that argument would also be a lot more persuasive if we, the citizens of Philadelphia, got the same amount of the dollar that we send down to Washington back as the citizens of Yuma, Ariz. do.

When that day comes, then maybe let's talk about that argument. But until they are willing to do that, until they are willing to give us the same 98 cents on the dollar that Yuma gets, or that North Carolina gets, or South Carolina gets, as long as we are getting the 58 cents—I don't know exactly what the figure is, but it is around there—as long as we are getting that share of the dollar that we send down to Washington, then let's not hear that line of reasoning in reverse.

If they want to do that, fine. But if you apportion the money back equally, then I would submit that one of the goals that Congressman Dellums talked about would be achieved, because we don't have a whole lot of military bases in the city of Philadelphia. And North Carolina does.

And if we started getting the same 98 cents back on our dollar, that would mean that that money would be available for social programs. So that is, in my judgment, the fallacy of that argument. It is a very serious fallacy. This is not a true Federal system. We don't all get the same money back.

Mr. **Gray**. Thank you, Mr. Rendell. We want to thank you for your testimony. It certainly has been very eloquent and helpful.

At this time we will hear the housing panel. We would like to ask these witnesses to come forward at this time.

## STATEMENTS OF ISHMAIL HAMID, OUTGOING CHAIRPERSON, COALITION OF HOUSING ORGANIZATIONS OF PHILADELPHIA; JAMES ROYAL, CHAIRPERSON, COMMUNITY INVOLVEMENT CORPORATION; IDA PITTMAN, VICE PRESIDENT, RAYMOND ROSEN, DIRECT ACTION ASSOCIATION; EDWARD SCHWARTZ, EXECUTIVE DIRECTOR, INSTITUTE FOR THE STUDY OF CIVIC VALUES; AND GREGORY L. COLEMAN, EXECUTIVE DIRECTOR, OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT, CITY OF PHILADELPHIA

Mr. **Gray**. We want to thank the witnesses for coming to testify at this hearing of the District of Columbia Committee on the problems of urban centers. In the interest of time and to provide a greater opportunity for the committee to question you, we would like to ask each member of the panel to perhaps try to summarize their written testimony, because we have received your written testimony, in about 3 to 4 minutes, picking up the highlights, and that will provide us a greater opportunity for questioning on the various issues that you raise. We would like to start with Mr. Ishmail Hamid, the outgoing chairperson, Coalition of Housing Organizations of Philadelphia. Mr. Hamid.

Mr. **Hamid**. Good morning, committee members, Congressman Gray from Philadelphia, Congressman Dellums, Congressman Dymally. I am the outgoing chairperson of the Coalition of Housing

Organizations in Philadelphia. The coalition is made up of approximately 30 housing producers, nonprofit community-based as they are in Philadelphia, who have for the past year attempted to establish a housing policy for Philadelphia along with other community minded and interested peoples.

The coalition is directly concerned with housing, but not at the exclusion of any of the other pressing problems that the major minorities do have.

We see a national housing policy which is backed with legislative muscle, so to speak, as the right direction, the first step, so to speak, to cure some of the or to speak to—to turn around some of the problems as to housing shortages, condo conversion, tenants' complaints, high cost of mortgage money, neighborhood recycling and displacement which has plagued the inner cities.

We had sought in our original attempt to answer those questions. Since they are already in your possession, we would like really to cut to, in the short period we have, those items of greater concern, or some of the solutions we might see to the problem.

To point a finger—the Reagan budget cuts in particular are definitely a change, but a change for the worse in respect to housing. The elimination of the HUD neighborhood self-help grant program, EDA, the reduction and or the combining of community development block grant and UDAG grant will cause a negative impact on the city programs to revitalize depressed neighborhoods. That is a change of course.

But also we see a need for laws of ownership of vacant properties. In Philadelphia alone, there are at present count 22,000 vacants which is down from 35,000 vacants on a year prior, which I question in my mind and many of the CHOP members do as well. Where has this massive decrease in vacant properties, where are those vacants, are they rehabilitated. Rather they have become vacant lots.

We see a joint venture of community based nonprofits and Government agencies to increase housing production in Philadelphia, and have so suggested it to the Philadelphia Housing Agency.

Some of the factors of greatest concern particularly related to Philadelphia would be the regulations, regulatory control by Government agencies. Of course, the Reagan program is to deregulate, to give sort of a free hand. But too much of a free hand I think. This is not an attack on Philadelphia, but just to point out some of the inconsistencies of how the house program has run. That until Philadelphia and its CDBG funds—it seems to me not to filter down to the needy, the low-income neighborhoods. And center city development was heightened. In some cases one might even say there was racist reasons for the moneys not getting to the needy neighborhoods, because they were predominantly black.

It took more than 5 funding years of CDBG funds from HUD to Philadelphia before some regulations or a violation of the regulations were noted, and that Philadelphia was slapped on the hand.

Now, when you have a free hand—not that Philadelphia had it—but the Federal regulatory agencies were not hearing the call of those needy people of the community that they were not getting the return on their tax dollar. It is so often thought that poor people do not produce anything and do not pay into the tax roll, which is of course untrue. The majority of the people in this country who do pay taxes are not just those middle class individuals, but also poor people who make under $10,000.

What we would like to see implemented, of course, would be a national housing policy again that would tear down the tried concept of planning and urban centers which has become a norm, and to—as has been mentioned before in other testimony—have more community participation, participation which just does not mean giving the only option that communities have to receive or to utilize any funding dollar, which of course is no option at all.

The regional mobility plan which is so often mentioned in housing, or in cities, which is a recycling effort, so to speak, for those poor people in the inner city being moved out to other regions in the counties, and those individuals who have the dollars to do the rehabilitation, well over $100,000 per two-story house, would therefore become the occupants of the city—we would like I guess an understanding of what that means if that is in effect. But of course we would not like to see that implemented.

To conclude, section 8, which Congressman Gray has had a hand in changing the site selection criteria from impacted and nonimpacted areas, we see nonprofit community-based organizations as developers of these projects, which has not happened in the past. The sole beneficiaries of the dollars which come from this have been the private developers. The community, as has been shown, the nonprofits—one of the nonprofit organizations which I am the former director of were very successful in producing a substantial number of rehabilitated houses and new housing.

And with that, I would conclude.

[The prepared statement of Ishmail Hamid follows:]

## PREPARED STATEMENT OF ISHMAIL HAMID, COALITION OF HOUSING ORGANIZATION OF PHILADELPHIA

### I

We do not claim to know all of today's urban problems and would be hard pressed to identify which are most immediate. However, we do have more than just a passing familiarity with the housing problems of the Major Urban Cities, Phila., and The Delaware Valley first hand.

CHOP has directed its efforts for the past year, on a Housing Policy for Phila. We would welcome a National Housing policy with legislative backing, as a positive step in the right direction, in order to begin resolving the problems of housing shortages, condo conversions, tenants complaints, high cost mortgage money, neighborhood recycling and displacement in the inter cities.

The degree of changes, which will attain real progress, will need several approaches, starting at the federal level.

The Reagan budget cuts will make a change for the worst!

(A) The elimination of HUD's Neighborhood Self-Help Grant Program; EDA and the reduction and combining of CDBG and UDAG will cause a negative impact on the cities housing projects to revitalize the depressed neighborhoods.

(B) We suggest increased direct funding to non-profit neighborhood housing project from the federal agencies.

(C) Laws of ownership of vacant properties.

(D) Joint ventures between community based non-profits and governing agencies to increase the production of housing stock, as a means to affect a positive change.

### II

Federal assistance to the cities, do aid the local problems if the funds filter down to the needy.

The hindering factor of greatest concern is the lack of regulatory control by the federal funding source over the local city agencies. Phila. is outside of any other Urban Center in recent years, showed misappropriation of CDBG funds, away from the low income neighborhoods for Center City Development of, in some cases, based on what appeared to be racist reasons. Five funding years passed before the HUD took any action to correct this apparent violation of the regulations.

Numerous programs have been tried with mixed result, such as Section "312" loans, which is slated for elimination. This program worked for the city and is more in demand today, because of the high increase rates of (18 percent to 21 percent) on Home Improvement Loans. CDBG Funds have worked to a limited degree, and will remain limited when Phila's Housing Agency sits on 184 million dollars of grant funds thru 1982.

We suggest that:

1. The inter cities community based low income housing people sit on the advisory committees and Boards of the Federal Agencies, for a first hand understanding of the problems.
2. Section "8" housing is better built by non-profit community based groups.

### III

From here we adopt a national policy which addresses housing problems. This housing policy must reverse the "triase" concept of Urban Center Development, which has become standard practice in urban planning. The affect that CHOP seeks on the nations priorities, is one of peace of mind and commitment to supply aid to the nations people to have the basic necessities of life, food, clothing and shelter.

The present and future federal budgets must increase for housing allocation or it will cause the death of the city as we know it.

Mr. GRAY. Thank you, Mr. Hamid. At this time we will hear from Ms. Ida Pittman. Again, we would like you to summarize. We have your written testimony. We will ask you questions, not only from the summary, but also from the written testimony which we have had before us and have had an opportunity to review.

Ms. PITTMAN. Good morning, Congressman. Good morning, committee. On behalf of the tenants of public housing, and the vice president of Raymond Rosen Direct Action our main concern is on public housing, the conditions that we are living in, our security, and our maintenance. Where we live in is rats, roaches, trash piled up from floor to floor. You have rats inviting you to come into your own apartment. So the living conditions throughout the city of Philadelphia is very terrible. And we really need the heads of the board of directors of the Philadelphia Housing Authority to investigate, because if they were doing their job, we would not have this problem constantly every day. Weekends you have robberies. You cannot leave your home, because you are scared you come back, you will not have no home there. So we are asking the committee to come in, I am inviting you myself to come, to take a tour of the living conditions. It is not all the people who is throwing trash and everything around. It is just—it is poor maintenance service there. We do not have the right decent service from the Philadelphia Housing Authority.

I would like to say thank you for giving me this opportunity. We have plenty more. I would be glad to answer any questions.

Mr. GRAY. Thank you, Ms. Pittman. Next we will hear Mr. Ed Schwartz. Mr. Schwartz, we have your testimony. We hope you can summarize it so that we may question you, both on the summary as well as the written testimony.

Mr. SCHWARTZ. Thank you, Congressman Gray. It is a pleasure that this committee has come to Philadelphia to keep the pressure up on what is turning out to be as big a disaster as I remember at any point in my life politically.

My organization has worked for the past 3 years in Philadelphia, in some cases around the country, to promote neighborhood improvement in decisions that affect them, and in solving problems that affect them. And in this city, as many others, one of the critical problems is that of abandoned housing on the one hand and the threat of being displaced by rapid and uncontrolled development on the other.

Our group was the first to analyze critically the city's expenditure of community development funds, going back to its first year, 1974, and we continue these analyses since then. But rather than simply funding as a critic, with the change of administration, we went under contract to the city's office of housing and community development to assist neighborhood groups in organizing community development corporations and credit unions and other self-help organizations that would give them greater power and flexibility in dealing with some of the problems than the bureaucratic solution often has provided.

If you will, we are taking seriously the rhetoric of the National Administration for Self-Help, and trying to do something about it. And that is the perspective from which we evaluate the programs that any administration will offer.

In the past several months under contract with the community development office we have already chartered three new community development corporations in low-income areas of Philadelphia and five new credit unions, community run credit unions. And we are currently working with 40 groups and expect to see a great proliferation of these organizations in the coming year.

My testimony merely summarized some written numbers to give you a feel of the numerical impact. To add a couple of comments, to put them in perspective, in what I have to say, it seems to me that we have to be talking about problems that we have always understood in terms that are now being shaped nationally, in terms of problems that they understand, they, meaning the people who are currently making these decisions in Washington.

Housing is essentially a problem of inflation. We are talking about fighting inflation—what we are partially talking about is fighting inflation in housing. And by inflation we simply mean prices that are beyond the ability of people to afford. Or in some cases prices that are literally inflated over what a property ought to be worth. That is the entire purpose of sending $70 million or so to the city of Philadelphia to help low-income people acquire and move into abandoned housing. What we are saying there is that the price of the housing available for the price to fix up abandoned houses is beyond the ability of people to pay that price. So to spend this money is to fight inflation in housing and community development funds is an anti-inflation program. So then we have to look at what causes the inflation in this particular area, which is identified by the exploratory project in economic alternatives as one of the four necessities where inflation in fact outpaced the national inflation rate and contributed to it, and a second area there is energy, which is directly related to fuel costs in the home, and see what are the causes of this inflation, does the Reagan program, which talks about fighting inflation, do anything to solve those problems, to deal with those causes, and if not, then what should be done.

In Philadelphia there are five things that raise the price of housing. And I do not want to go in depth on them, we can talk about them. One has already been mentioned. Absentee ownership of multiple units of abandoned housing. Twenty thousand abandoned houses, many of them are owned by people you cannot even find. They are sitting on top of vacant properties, hoping that someday their investment could be recouped by some big development that will transform the neighborhood, and they therefore jack up the price beyond what in fact they should be charging for a house. And it makes it even impossible for government to buy. There are sections of the city where people, abandoned owners of properties are charging $10,000, $15,000 for shells, when in fact the houses are probably in terms of that neighborhood now worth no more than $2,000 or $3,000, and the city will not pay that amount to acquire them. That is inflation in housing costs by abandoned ownership.

The second problem is the high cost of construction and rehabilitation. We have estimated, and other groups have estimated, it now costs $65,000 to do a total rehab on a house. You can buy a new house in Philadelphia for less than that in nicer neighborhoods where rehabilitation goes on. Why are those costs so high? Well, in part it is because the construction industry in general has collapsed, and construction companies that years ago would not even be interested in housing rehabilitation, are now doing it to make any money at all. And in part it is a bidding procedure that in fact creates a monopoly within the system, that allows a handful of contractors to control the procedures. There are a complicated range of reasons. The fact is the costs are too high. Everyone from city to government to citizen groups are saying it.

A third problem is the high interest rates, and redlining itself. My organization was the first group to analyze redlining in Philadelphia. We were the first groups to study the banks' Home Mortgage Disclosure Act. We have been a leading monitor of the Philadelphia Mortgage Plan which has been trying to make mortgage money avialable in neighborhoods which were previously redlined. Clearly if you cannot get a mortgage in a neighborhood you are essentially frozen out of buying a house in that neighborhood. Clearly if interest rates are 18, 19 percent, it is depressing on the neighborhood, and it creates a problem of inflation in housing.

The fourth problem of inflation is simply the lack of knowledge that people have and how to contribute to the renovation of their own house. I consider myself one of those people. I am a mechanical idiot. To the extent I have to pay for things that some other people can do for themselves, that is a problem in the cost of housing.

And finally, there is the cost of maintaining a house which is wrapped up very carefully and closely with energy costs. So the entire range of energy price hikes and fuel oil and natural gas became another source of inflation in housing.

Now, what would help solve each of these problems?

Well, just looking at them, you can see clearly some simple things. First, if you want to deal with absentee ownership, you need tougher laws at local government level to be able to deal with absentee owners. But you also need help in buying those houses. And that is what community development dollars is used to do often, to purchase some houses that low-income people themselves could not purchase. Or they give money to community corporations to help them purchase a house. That is one way you can deal with inflation as it affects the homeowner. The same can be said of rehabilitation. How do you deal with the high cost of rehabilitation. You ride herd on the developers and try to find the cheapest competent developers you can, and try to encourage nonprofit housing groups where the interest is the community and not somebody's wallet. But in order to have leverage to do that, you have to have funds to be able to subsidize and support certain kinds of development. So that is what community development money has been used to do.

Then of course in order to deal with the interest rates, the mortgage subsidy programs that operate have been extremely effective, making it possible for people who could not afford interest rates of 18 or 19 percent to borrow for mortages or to move into houses at somewhat lower subsidies. To deal with those people like myself who are mechanical idiots, and who cannot even pick up a hammer properly, you need help in home maintenance repair, housing counseling, how to keep your house. And that too requires money for the counselors and for the programs that will assist people. And finally, in order to help people deal with the rising cost of energy you need programs in weatherization, particularly for those people who do not have the capital to weatherize their homes, no matter how high the fuel costs may go in a given year. It is fine today over the long run they will save the same amount of money in their fuel bill that they are spending in weatherizing their homes. But if they do not have the $500 or $1,000 needed to weatherize your home properly, the fact they are going to save that over a 6-year period is not going to mean too much, particularly if they also cannot get credit.

So these steps would amount to a systematic approach to dealing with inflation in housing, in low-income areas. I am laying them out in this way. They are all familiar programs. Everyone has heard of them. Perhaps I am organizing them a bit more systematically and putting them in the context of an anti-inflation program. But this is the debate over housing in I suspect all cities of this country, how each of these programs is operating. Let me say that the Reagan program does absolutely nothing to contribute to the solution of any problem that I just mentioned. And the Reagan budget in fact cuts financial support from many of the programs that in fact are responding to these problems.

The Reagan budget does nothing to deal with the problem of absentee ownership, it does not add one dime to acquisition, to the extent that its tax cuts in enterprise zones will provide tax incentives to large developers and builders, the Reagan program could in fact contribute to large scale speculation in the cities, rather than in fact making it easier for low-income people to buy homes. To the extent that the Reagan program cuts funds for direct subsidy in low-income housing and public housing it is cutting the costs of ownership and rehabilitation. And I have the statistics here in this sheet that you can look at for yourself. The Reagan program is cutting all interest subsidy programs, period, all of them, thereby in fact—if the overall interest rates in the country drop a couple of percentage points, even if you assume that is going to happen, which looks less and less likely, the fact is for low-income people, with all the subsidy programs down the drain, their interest rates are going up by 5 or 6 percent. So whether you think you have licked inflation I think depends on where you are in the economic ladder. Because for a lot of people your interest rates are going to go sky high, and the overall economic climate affecting interest rates are driving those savings and loans that historically have worked within neighborhoods that have been controlled by them out of existence.

The Reagan budget is cutting money for housing counseling. In Philadelphia we are losing $6,000 this year alone in housing counseling programs, undermining the support for people who have housing. And of course the Reagan program eliminates all the weatherization money.

So that in each case, when we deal with a specific cause of inflation beyond just talking about it in general terms, the Reagan program does nothing to solve the problem that leads to inflation, and in fact it contributes to inflation.

In Philadelphia the cuts in public housing which will be cut from 260,000 to 175,000 units will mean that here 255 fewer subsidized housing units will receive support. The cuts in loan programs will mean that 122 homes in a given year will—fewer homes will be able to use the 312 loan program; 480 fewer homes next year will be weatherized than might be.

We are going to lose $250,000 in neighborhood self-help support, three projects that in fact are doing the kind of self-help work that gives neighborhoods real control over their destinies.

And finally we are losing money for housing counseling. Who suffers here? The elderly, who are slated to receive many of these units, and are on a long waiting list, and low- and moderate-income families.

The Reagan philosophy is to say, why does not the community development block grant pick this up; why do we need a consumer co-op bank, or why do we need public housing assistance when we have the community development block grant? That would be fine, I suppose. There would be at least an argument for it, if we were raising the community development block grant to absorb the new programs being thrown into it. But that is not happening. We are in fact simultaneously giving CDBG, as we call it, more responsibilities while we are taking money away from it, at a time when inflation itself would take money away from it, given the same dollar will not buy in 1985 what it can buy today. In Philadelphia we have already lost this year $3 million because of the census data. We were going to receive $74 million, now $69 million. Next year we will get cut by the Reagan program $6.9 million. Now we are getting close to a $9 million or $10 million out of $70 million budget, that is 14 percent. Then you add $5 million more from cuts in these other programs that now are supposed to be absorbed. Now we are up to a $15 million cut next year alone. And the budget does not change in the 5 years after the program. It goes down in some years at a time when inflation is rising.

What needs to be done?

It seems to me that true to the philosophy that is articulated if not practiced by the Reagan administration, what needs to be done is two things. One is to take seriously the specific causes of inflation in housing, and try to strengthen the ability of local governments to deal with those causes in the ways that I have been describing. Second, given that neighborhood is a central value that this administration says it favors, it would be important for the Reagan administration to really help local governments work with neighborhood groups on the kind of self-help programs that can acquire houses more cheaply, that can use sweat equity to rehabilitate them, and the neighborhood people themselves maintain, weatherize and improve the quality of houses they have. None of these things is being done by the Reagan administration. Their reality moves exactly in the opposite direction from their rhetoric. And what it will mean is a considerable amount of suffering for the people of Philadelphia and for people in every city like it.

Thank you.

[The information follows:]

## SUMMARY OF REAGAN BUDGET CUTS IN HOUSING—THE PHILADELPHIA STORY

### I. THE NATIONAL CUTS

A. Cuts in subsidized public housing from 260,000 to 175,000 units.

B. Delays in construction and renovation of public housing, by holding up $300 million earmarked for 1981 and reducing future outlays by 40 percent.

C. Requiring public housing tenants to pay 1 percent of their income each year in rent until total jumps from 25 percent to 30 percent of their income for rent. A family earning $8,000 per year, which now pays $2,000 per year in rent, will be paying $2,400 in rent by 1985.

D. Abolition of Section 312 rehabilitation loan program by rescinding $200 million this year and terminating all future funding.

E. Reduction of FHA guarantee program and elimination of G.N.M.A., that now subsidizes mortgage financing for Section 8 housing.

F. Elimination of weatherization program.

G. Elimination of Neighborhood Self-Help program, that now offers direct support to community development corporations.

H. Curtailment of the Consumer Coop Bank, that can support housing cooperatives.

### II. THE DIRECT IMPACT ON PHILADELPHIA

A. 255 fewer subsidized housing units will receive support.

B. 120 fewer homes will be able to use the 312 Loan program.

C. 480 fewer homes will be weatherized.

D. $250,000 in Neighborhood Self Help programs will disappear.

E. $60,000 in support for housing counselling to the poor will end.

### III. WHO WILL SUFFER?

A. The Elderly.—Now slated to receive 323 units in new housing (130), substantially rehabilitated housing (43), and renovated housing (150).

B. Low and Moderate Income Families—Now slated to receive 695 units—175 new; 250, substantially rehabilitated; 195, renovated.

### IV. WHAT ABOUT THE COMMUNITY DEVELOPMENT BLOCK GRANT?

A. Philadelphia's grant—reduced by $3 million in 1981—will drop an additional $6.9 million in 1982—equal to 156 total rehabs, 300 partial rehabs, and 500 gift properties.

B. Other cuts would cost at least $5 million more—a total of 16.7 percent lost.

### V. WHAT ABOUT OTHER PARTS OF THE REAGAN PLAN—LOWER INTEREST RATES AND ENTERPRISE ZONES?

Lower interest rates will help middle income families purchase homes in the suburbs. The elimination of loan subsidy programs will mean higher interest rates for the poor, however, even if the overall rate is a bit lower.

Enterprise zones are now proposed for only 25 urban areas nationally. The rest would be ignored. Even in those areas, the tax incentives to be offered within the zones would not provide the start-up capital essential to housing rehabilitation and the mortgage relief essential to making home buying accessible to the poor.

### VI. CONCLUSION

A. The budget cuts in housing programs will impose direct hardships on the poor. In Philadelphia, 1,000 units of housing will be affected—losing direct subsidies, loan guarantees, rehabilitation grants, or weatherization support.

B. The Community Development Block Grant is already overtaxed in Philadelphia, but the Reagan plan reduces the grant from $72 million to $62 million by the end of FY 1982. Absorbing the budget cuts in housing programs would cost CDBG an additional $4 million in Philadelphia.

C. The other parts of the Reagan program—lower interest rates; Enterprise Zones—will not compensate for the loss of direct federal funding of housing rehabilitation, weatherization, and purchase.

D. The Reagan Housing Program, therefore, operates at the expense of the poor and of the cities in which housing abandonment is serious. The benefits to be gained from the economic program overall simply will not equal the costs imposed by the budget cuts themselves.

Sources: "A Program for Economic Recovery," Feb. 18, 1981. "Proposed Federal FY 1982 Budget: Projected Impact on the City of Philadelphia," Mayor's Office, City of Philadelphia, April, 1981.

Mr. GRAY. Thank you, Mr. Schwartz. At this time we will call Mr. Royal, chairperson, Community Involvement Corp.

Again we would like to remind you of our 3-minute summary so that we can get into questions. Because we have another panel before our lunch break.

Mr. Royal, would you give us a 3-minute summary please.

## STATEMENT OF JAMES ROYAL, CHAIRPERSON, COMMUNITY INVOLVEMENT CORP.

Mr. ROYAL. Thank you, Congressman Gray, Chairman Dellums, and the committee. We would like to say today, we did not bring our helmet, because we feel this committee is seeking information that it needs in the area of housing. You cannot say housing without saying all the other variables that have already been explored earlier today. I think it is important that the emphasis be put in two areas. First, representation. The communities, the mandate that President Reagan thinks he got from the people of the United States is not fully represented in Washington, D.C., as of today. Many of the experts and many of the think tanks and many of the other folks giving advice to the President, whether it be political or what have you, are not giving him direct information. Yes, we know housing is bad. Yes, we know crime is bad. So is education and jobs. In every area—we the working class people, we the poor people of this country are the experts indeed. And I think as this committee moves forward, you will be able to get from us the information that the administration needs to move forward.

We would like to say that the second area is, and foremost, is the dollars and cents. It is very clear that the money is there. It is very clear that the money is being rerouted into areas where the beneficiaries can be those people that have been political allies. And we say to you here in the city of Philadelphia, as across the country, that it is clear that if something is not done, and I am talking about very soon, the statement that President Reagan made not too long ago, it was said that people would all start rallying in the streets and there would be utter chaos. And he made the statement that is what the National Guard is for. And I think the statement made earlier by the District Attorney Rendell, about the $400 million being offered to Pakistan or wherever, I think we may create some jobs for some people in the National Guard, because it is clear that if this country continues to move the way it is moving in every area, it is moving to eradicate the poor, the defenseless, the old, and the young through its policies which they are laying out very clearly, through cutting of the money. That is the whole issue. If there were dollars in the poor community, there would not be no problem with housing, there would not be too many problems with jobs, there would not be too many problems with anything.

But the point is because the money is being rerouted, because of deregulation in every area, you cannot own a home if you cannot pay the gas and the electricity. So you cannot talk about building a home. You cannot own a home if the mortgage rates are too high.

So we are saying to you, if the present administration does not turn around—I am not predicting anything—we should be clear about the past in order not to make those same mistakes in the future. We are heading not toward world war, but civil war. We look at all the different countries around the world where it is in-house fighting. We will say to you very clearly, without hesitation, that we are going to stand firm and work diligently as we can in every area. But it is clear that the message that your committee must take back must be firm. And I say to you in the strongest terms—if you do not, as Reverend Hall and Reverend Walker of PUSH said—you either cut us in or cut it out. Because the thing is—some people say I am not going to pass on to my children something that I do not have. I think a question was raised earlier about the criminal, the person that has that chromosome factor. I have never seen a millionaire have a pauper for a son unless he was kicked out. It is hereditary. You have to pass on what you have. If you have nothing to pass on to your children, you cannot receive anything. If this country expects patriotism, is it going to have to give out something in order for us to expect that. Thank you, Mr. Chairman.

Mr. GRAY. Thank you, Mr. Royal. Now we will hear from Mr. Coleman.

## STATEMENT OF GREGORY COLEMAN, EXECUTIVE DIRECTOR, OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT, CITY OF PHILADELPHIA

Mr. COLEMAN. Thank you very much, Congressman Gray—to you and your colleagues on the D.C. Committee. It is my pleasure for Mayor Green to welcome you to the city of Philadelphia, and to thank you for inviting all of us to share our concerns with you about urban problems.

I will try to honor your request to keep my comments brief. I have had friends who have told me when I am asked what time it is, I tell them how to build a clock. Since I am not a mechanic in that sense, I will not tell you how to build a clock.

Our first concern within the city, as directly as we can put it, is to ask that the Federal Government continue to provide the resources as it is doing through the community development block grant program at the same or higher levels continued to consider for inflation. The Federal Government is playing a major role in helping the city to address the problems of housing low-income people. Community development block grant funds are the largest share of funds that our program has to address concerns of poor people. Public housing is another agency that the Federal Government is helping with substantial dollars. It is very important that a long term and continuing commitment to provide these financial resources continue on the part of the Federal Government. The problems that we are experiencing in our urban areas, particularly for low-income people, developed over many years. We would like to assure that the resources are there and available to help us address these very critical problems.

The second and most positive suggestion that I can make in terms of how we address these problems is really that of a working relationship with the people and the U.S. Congress, with the administrators helping us in a major way out of the HUD area office, and of course our continuing working relationship with people in neighborhoods. As we identify problems, it is particularly important that we receive at the executive level of the Federal service positive assistance in resolving those problems. And we have witnessed that kind of help in the past several months.

The regulations for the community development block grant program—and I want to address that for particular attention—as distinguished from regulations in other programs have not in my limited experience been a major bar to our addressing housing problems. We have found that we are able to, as we see regulatory problems or questions, at least attempt to work those out in this particular program with Federal administrators.

There are two areas that I would like to address, because I think that it is particularly important, in view of the overall housing situation. And that is I share the concern, the mayor and managing director share the concern, about high construction costs. To that end we have made major modifications to rehabilitation programs at lower cost by doing less than total rehabilitation.

Second, I share the comments of several of my colleagues on this panel about the cost and impact of high interest rates. High interest rates and high energy costs impact on public programs for low-income people, as well as on the public at large. And it is very important that the U.S. Government develop an effective way to deal with both energy costs and with high interest costs, so that low-income people are not hurt as much as they are currently being hurt.

The other is public housing. The Community Development Agency does not directly administer public housing. This year we are providing a total of $11 million or slightly more in Federal, State, and city funds to address some of the public housing concerns raised. While I do not represent the Philadelphia Housing Authority, I think it is appropriate for me to share concerns that we have in the city about the level of operating subsidies for public housing. Public housing still houses the lowest—among the lowest income people in the city. And given the high operating costs for energy and security and other activities required to maintain safe and decent housing, we would hope that the U.S. Congress would seriously consider providing a level of operating subsidy that would be adequate to house low-income people decently.

Thank you very much again for inviting the city to appear before your panel.

Mr. GRAY. Thank you, Mr. Coleman. And thank you, all the panelists. First we would like to call on Congressman Dellums for questions.

The CHAIRMAN. Ms. Pittman, has your project received any Federal or local funds to help address the problems that you state in your paper, and that you testified to in your opening statement. If so, can you describe the funds that you receive to address these problems. If not, can you tell me why you think you were not able to get those funds.

Ms. PITTMAN. We have received the funds, but they never put the funds in use at our project.

The CHAIRMAN. Is this Federal or local funds?

Ms. PITTMAN. Federal funds. The only thing we got out of it was a heating system that still does not work right. People are still in the cold in the wintertime.

The CHAIRMAN. What was the original purpose for the funds that you speak of?

Ms. PITTMAN. The funds was for the heating problems in our project, and for maintenance and for police protection, security. Now that they took away from us, we are lucky if we see a housing police in our area today. We used to have the headquarters there. They moved and now we do not have any.

The CHAIRMAN. You mentioned heating, you mentioned security, you mentioned maintenance. Can you tell me, are those the major and urgent problems of the residents of the project that you reside in, or similar projects? Tell me what you perceive to be the urgent problems.

Ms. PITTMAN. They are the most urgent. Since they took our police force out of there, we had a double killing 2 months ago. Every week there is a killing there now. We have a drug war going on in Raymond Rosen. People selling drugs to children. You are scared to send your child to the store after 5 o'clock, because your child might not come back. That is all because there is no protection. You call in for the city to police. They do not want to come in, react to the problem, unless they have a housing police. They will not go on the third floor to get a patient if someone took sick, without a housing police there on the scene.

The CHAIRMAN. You mentioned that you do not have a housing police officer. So what happens now?

Ms. PITTMAN. Just laying there, hoping that the city will come in and help us. The housing police is in another area now.

The CHAIRMAN. Thank you very much.

Mr. Schwartz, I think you laid out a case that I think is terribly important to underscore. This administration is basing its inflation fighting program on the notion that we have to reduce Federal expenditures. Four of the most inflated items in the American economy are energy, health care, food, and housing. Working class people spend between 70 to 75 percent of their monthly income on those four items alone. We have raised a question of how do you reduce the inflationary aspects of housing by simply reducing Federal expenditures on the nonmilitary side of the budget. We never get an adequate answer. But I think your testimony eloquently points out that if you are going to solve the problems of inflation, then you would have to address the specific areas of inflation in our economy. The most recent study that was done in the Congress was done by the Congressional Budget Office, which indicated that if you cut $25 billion from the Federal budget, you would only reduce the inflation rate by between one-tenth and two-tenths of 1 percent. So cutting the budget is not really an effective way to fight inflation. In the area of housing, as I understand your testimony, you are saying if we are going to fight inflation in housing, we have to understand, (*a*) what contributes to inflation in housing and, (*b*) let us establish a national policy in that regard. That is the essence of your testimony?

Mr. SCHWARTZ. I am saying that, and adding one other ingredient to it, and that is we have to begin to empower groups at the local level to wage their own battles with public help and support against the inflation that is afflicting them. One of the most important books I think to come out of the previous administration has not been given a lot of attention, but is in every community group's office in the country. It is a book called "People Power" that was produced by Esther Peterson of the Department of Community Affairs. And it is what groups are doing to fight inflation. It goes through each of the areas you mentioned what organizations are doing to create housing co-ops, food co-ops, health maintenance groups. It may be both the liberal and conservative big solutions are not really going to work. Politically, for example, the big liberal solution has been wage and price controls. Most people, I think, favor wage controls, and prices continue to rise. Now we have the Reagan approach, cut the Federal budget, which will not solve inflation and will in fact cut a lot of peoples' real income. But the things the public understands are things like a community development corporation, such as exists in my own neighborhood, which is able to buy houses collectively, give real buying power to the community at a lower price than individuals would have to pay. And then is able to negotiate with rehabilitation specialists on weatherization and all the things that are in fact going sky high. Well, maybe the anti-inflation program for this next period has to be greater public assistance to local groups to begin to fight the market forces that have gotten out of their control. And maybe progressives have to start talking that way, in very specific tangible terms that people can understand—being able to go to a city like Philadelphia, and say we are fighting inflation in housing by supporting the following groups, and helping them get lower interest rates. We are fighting inflation in energy by providing resources to weatherization programs, and helping other people be trained to get involved in weatherization, which can create jobs in low-income communities for people who do weatherization. We are fighting inflation in food by helping small grocery stores get in touch with Pennsylvania farmers who right now can give them agricultural products more cheaply, and build community co-ops and food markets. I could go on this, and often do. But I think it is an important step that we have to take in beginning to respond to what most people will say this is the No. 1 problem—whatever Reagan does, if he lowers the inflation in this country, it will be worth it. He is not going to lower inflation in this country. It is very clear. An economist has written a very interesting article in the New York review of the books recently talking about what the military expenditures alone are going to do to the inflation rate, pointing out that the Indochina war escalated inflation geometrically in the late 1960's and 1970's, starting with an inflation rate of 1 or 2 percent. We are starting with a base rate of 8 or 9 percent, and adding $2.5 trillion.

So he not going to solve this problem unless he has a miracle in Saudi Arabia, and we start getting free oil. But if we are going to be able to take advantage of that, we cannot sit on our hands and wait for the thing to crash. It could even go further to the right. It has in other countries. If we are going to respond to that problem, we have to find ways to persuade citizens that we know what we are doing and citizens know what they are doing. And it is the Reagan approach that is not working. It is not some automatic natural law that dictates that we have to pay these prices. It is my belief that empowering communities to be able to be effective in fighting the market, using government and private help and citizen help, is the route of the future that this country will understand.

The CHAIRMAN. Thank you.

Mr. Hamid, can you tell me what has your experience in Philadelphia with respect to condominium development been? Can you comment on the impact of condominium development on the movement of low-income and poor residents of the city of Philadelphia? And finally, if they are displaced, where do they go?

Mr. HAMID. Congressman Dellums—my expertise is presently as a housing planning consultant. So I am still very much in the field. As a result of that, I have firsthand—how can I say—involvement in condominium conversion as well as co-op housing conversion—because I am contacted by various clients, individuals who in some cases as a result of being displaced, as a result of condominium conversion, are looking to purchase a house, and are seeking housing consultation as a result of that to get a good buy.

The first part of that question, the important part, is what effect does it have on low-income people and the movement of people.

When a building is converted at this point to condominium, we have a high rent at that point. The individuals may very well be in the moderate to slightly higher income level. As a result of that conversion, if they are not able to purchase their unit, their apartment unit, then they seek lodging elsewhere. In most cases they take a slight step down in the housing scale, to the next available lodging—as it is—moving away from center city, they are moving out.

The city in terms of planning has more or less given sanction to that center city corridor—now is no longer to Vine Street and South Street. It is now extended to Washington Avenue and Girard north to the river. So anything that falls inside of that, the notion is to developers that they will prosper, the city will give the nod forward, the redevelopment authority will help them acquire the property through condemnation procedures.

So those individuals who have been displaced move out and eventually push those low-income individuals who are living in apartments which are relatively nice, but the rents are not quite $300 a month, they are again displaced by another developer who sees that the first developer converted to condo, now this is an opportunity for a cooperative or just for him to make a dollar. And that apartment rates go beyond $300 to $500, $600, $700. Those individuals who live there originally have to find lodging elsewhere. So the movement is from the center of the city out. In city planning that is generally how it works. The government structure is located, those individuals who are high on the income level are located in the central part of a city. The African, the Asian structure, city planning, you will find is basically that way. And the people of lower income are out on the outskirts. We look at regional mobility as an example of that. And in turn, as they move out, the housing, the speculators are there. They see the problem. They capitalize on the problem. Those individuals who were displaced by condo must live somewhere. So the next developer jumps in and says I will make a profit off of them. Those displaced by him need somewhere else to go. So another speculator jumps in. And knowing this, it is a big dollar involved here. There is money to be made as a result of it. And those poor people who are finally pushed to the farthest outskirts of the city, and sometimes outside of the city, are put in a situation where they eventually become suburbanites. And there is an area I would say between inner city and suburbia which is probably where they should live, but because of the dollars and the increase in the displacement, they are not able to live. So again they are put in the suburbs, in an area which they also cannot afford, because of transportation costs, heating and energy costs, and the like.

The CHAIRMAN. Thank you. Perhaps Ms. Pittman can best answer this question.

After the most recent Miami explosion, and people began to look back into that situation, to try to determine what conditions gave rise to it, other than the jury decision, they saw a pattern of low-income people doubling and tripling, so that as a result of the housing pattern, people are moving from one low-income community to another community, and folks are starting to double and triple in one unit. Do you find that experience true in Philadelphia?

Ms. PITTMAN. Yes; in Raymond Rosen we have families there, we have 10 people in a two-bedroom apartment alone. In some, you have 15 people in a three-bedroom apartment. They tell you there is no room, they do not have an available unit. Where are people going to live. Some on floors, some on the couches, some sleep in beds together. It is terrible. The living conditions—there is supposed to be room enough for a family to live. You have houses that people live in in Raymond Rosen, one woman in a four-bedroom house. They tell you they cannot put her in a unit, because she fixed up her house. It is not right. If she is the only one in that house, she should be made to be put into a senior citizen home somewhere, that she could live comfortable, and take a family that has 15 people in it out of the apartments in the buildings and put in a home.

The CHAIRMAN. What are the largest number of people living in a one- or two-bedroom unit in the project you are living in?

Ms. PITTMAN. You have about four people in a one-bedroom apartment—one family, about four, in a one-bedroom apartment. A mother who has a daughter, the daughter can live—sleep in the same bedroom—if she had a little boy, the little boy can sleep in there.

The CHAIRMAN. How many in a two-bedroom apartment?

Ms. PITTMAN. You have a family of five.

The CHAIRMAN. You mentioned there was as many as 10 people.

Ms. PITTMAN. You have 10, 15, overcrowded. Say I have a sister. She cannot pay her rent or something happened to her, and she does not have a place to go. I am not going to let my sister sleep in the street. So you are doubling your family in. Trying to help your family. But as long as you tell them you are on DPA, they OK it for you.

The CHAIRMAN. You know——

Ms. PITTMAN. It sounds horrible, but it is true.

The CHAIRMAN. You know, you ask people who have no understanding of what you are saying, how would you feel if you lived in a one-bedroom apartment with anywhere from 5 to 10, 12, sometimes 15 people, and their first response is, I would go absolutely insane. And then you begin to understand the violence that takes place, because when people do not have space, they explode upon themselves or they go outside of that unit and they explode in the community.

Ms. PITTMAN. True.

The CHAIRMAN. And I think that perhaps if you look at these various projects around the country, and the attending violence increasing, what I think we may be seeing, and that is why I ask you the question, and I think we have to try to find the answer—we are seeing people doubling and tripling up, which creates tremendous psychological violence, because when people have no space, no privacy—human beings need that. You get this explosion. Then it ends up in the kind of violence that takes place upon each other. People strike out at the closest thing to them. That is the experience that you have in that project. And that is similar in other projects.

Ms. PITTMAN. Yes, it is. I can take you to one family. She has her kids, daughter, and grandkids. And she is in a two-bedroom unit.

The CHAIRMAN. Mr. Coleman, how many people are there on the waiting list in Philadelphia to get into public housing?

Mr. COLEMAN. I would have to find out from my colleagues in public housing. My understanding is that there are at least hundreds, if not thousands of people on the waiting list.

The CHAIRMAN. Where do they go to live in Philadelphia, those who come into your office and say I need a place to live, I cannot afford the prevailing rents, I am being kicked out of my apartment, it is going condo, I do not have any place to live. What happens if there are several thousand people?

Mr. **Coleman**. I am taking quite a few liberties here. These are my impressions. The Office of Housing and Community Development does not direct public housing, although we in fact cooperate with the Philadelphia Housing Authority to provide housing.

Many of the very low-income people in the city of Philadelphia live in private housing, not in public housing. When the private housing does not exist, I am certain that people in fact double up or find temporary housing wherever they can, it is in public housing or in private housing. One of the panelists earlier referred to many condo conversions for low-income people. While there have been condo conversions in Philadelphia, in the thousands of units, my understanding is that most of those conversions are occurring with middle or higher income units. I do not think they are occurring substantially for lower income people.

Lower income people have another problem. They are invariably in restricted markets. And because those markets are restricted, or in fact controlled, they do not have the mobility that higher income people have. The charges that can be passed on to them can be artificially higher than it would be if there were a free marketplace. So whether or not there are other units in the neighborhood, the poor can in fact frequently be required to pay more, because they do not have the options that higher income people have.

One of the phenomena that is occurring currently, if pollsters are to be believed, is that doubling is occurring throughout many levels of our economic strata in this country. And one of the factors that at least Mr. Sindlinger attributes, a pollster in one of our nearby communities—one of the factors causing people to double up is the high cost of energy and maintaining the operating costs of housing. There are several dimensions to housing. But two of them, of course, are the basic one of acquiring or living in a unit, and a second day-to-day factor of life is the cost of being able to maintain that unit. And poor people with very limited incomes have difficulty meeting health needs, food needs, and housing needs, and also utility needs or costs which are experiencing a high increase.

The **Chairman**. A number of people in that category, are they increasing?

Mr. **Coleman**. Doubling up? An indication from at least one pollster in the area is yes, that doubling up is increasing. And it is increasing at every income level. I cannot give you the percentage.

The **Chairman**. We are seeing two different patterns of movement. I would like to get a feel from you as to what is the pattern of movement in Philadelphia. On the one hand, you are getting one pattern that says middle-class people, particularly middle-class people with children, irrespective of race, are moving out of the urban areas, into the suburban areas, for a variety of reasons—better schools, better security, et cetera—at least in peoples' minds. And that some people are predicting that if that outmigration of middle-class people with children takes place, that the cities of America can end up cities of the extremes, cities of the very young, cities of the very old, and cities of the very poor, because they are trapped and have no place to go.

We also have a second pattern. That is a pattern of middle-class people moving out of the suburbs, back into the cities because of energy cost, transportation, transit problems, displacing inner-city people, because they have the capacity to rehabilitate, et cetera. Displacing low-income people. So you have two different patterns—one of middle-class people moving back in, and in another situation you have middle-class people with children moving out. Do you have one or both of these patterns working simultaneously in Philadelphia?

Mr. COLEMAN. Mr. Congressman, you have both patterns occurring. A cursory review, however, of the 1980 census would suggest that by far the larger pattern is people moving out.

The CHAIRMAN. Middle-class people with children moving out?

Mr. COLEMAN. You can guess that it is. But until the 1980 census figures are complete as to both income levels and housing stock you can only speculate.

One of the things we would of course urge is the more rapid making available by the U.S. Department of Commerce from the Bureau of the Census the detailed figures regarding income and housing. And the more rapidly that is made available the more accurately we will be able to answer your question. If you take Philadelphia proper, at least based on census figures, between 1970 and 1980 well over a couple of hundred thousand people moved out of the city of Philadelphia. We can only speculate those people who moved out were probably higher income people. The census information clearly indicates they were overwhelmingly members of the white community of Philadelphia. The number of minorities who moved out, particularly blacks, was according to the preliminary census figure relatively small, totaling about 14,000 people. And the Census Bureau simply put Hispanics under a different category. But the largest movement appears to have been that of a significant number of whites in the hundreds of thousands out of the city of Philadelphia. But again in the absence of figures it would be hard to tell the scale. Anyone familiar with the city however could point to several areas of the city where middle-income people are moving in or higher income people. My own guess is while that is occurring, it is not at the present moment occurring in numbers anywhere near the numbers of people who have moved out. So I think the dominant pattern is a larger number of probably better income people moving out. But all of that would again lead to the question of the two directions that you have raised—that you think Philadelphia and I might add other large cities would be taking—would lead to increasing gentrification or the extremes, my guess would be the extremes. That the new housing that would go up would tend to be, because of both the costs of construction and maintaining housing, for upper income people who would move in, and that the poorer people would be left in the city.

You have to remember in a city like Philadelphia, and I do not know what the percentages are now, but I think the pattern is true also in the city of Baltimore, as relates to the State of Maryland, but Philadelphia has had in recent years as much as 16 percent of its population on welfare. And that is without regard to elderly people with lower, who may be receiving other insurance programs such as social security. But it may well be that in a number of larger cities unless continued assistance is provided to lower income people, to in fact help raise the floor over time, that we may have a problem of an increasing tendency toward extremes.

The **Chairman**. Thank you very much.

Mr. Chairman, just prior to yielding back to you, I would just like to make three comments. First of all, it seems to me that clearly the problem of housing is looming as perhaps the most explosive issue in urban America. Second, if your point is correct, and that is that the majority now is middle-income people across race, with children moving out of the center city, you now have linked the issue of housing patterns to the schools. So that if middle-class people who tend to be part of the support base of the public school system—middle-class people are moving out—then you lose that support base. The school system then begins to deteriorate because you do not have the economic infrastructure there to continue to provide the kind of educational institution to provide for quality education for the low-income people left behind. So it has enormous implications.

Finally, one other point I would like to make.

Mr. Chairman, in our exploration of the tax laws, there is literally not one single law on the books in this country at the Federal level that supports people who own rental property, people who build rental property, or people who live in rental property. So that we have no support for that. Understanding that, you can see why people are moving to condominium conversion, because that is where they make the money. And it seems to me that those of you who mentioned the need for national policy are absolutely correct. That unless and until the Federal laws support the availability of rental housing it is going to become nonexistent. And as it becomes nonexistent, the potential for explosion increases because it overlaps many, many other institutions.

Those are just three observations I would make. If you want to comment.

Mr. **Coleman**. Mr. Chairman, there are just two comments I would like to address. One is that demographic information indicates clearly that in both cities and suburbs among rich and poor, with the possible exception in the Southwestern part of the country, with some economic groups, that since the sixties the percentage of young people being born into families has decreased rather markedly. So what you are witnessing—I am not all together certain that all of the people moving out are people with large families. The phenomenon of reduced populations in school districts is occurring in suburbia and in city areas. And that may be more a result of population control than anything else. That is the first comment that I would like to address in these remarks. I just think it is something that you have to take into account.

Mr. **Gray**. Mr. Schwartz.

Mr. **Schwartz**. I want to agree completely with what you are saying and modify it in one small respect. That is to say, in most urban areas we do not have to wait for the deterioration of the school system. It has already occurred. People who I suppose are of my generation, who grew up in the fifties, have had children generally later than previous generations. Our children are now reaching school age. I live in a relatively low-income neighborhood in lower Germantown which has the organizations I described in my testimony. But there are all sorts of middle-income families in that neighborhood, black and white, whose kids are now reaching school age, and they look at that local school, and they do not want to send their kids there because it is not a place where they think their kids are going to get an education. I know many who have moved out of the neighborhood. Some can afford to send their kids to private schools. You multiply that over the next 10 years many times over, and it is a problem that worries me greatly about the capacity of the city to support a diverse population. And I think the result will be exactly as you say, there will be a class of people who cannot afford to leave the city, and then of course there will be those who do not have children at all, so they do not worry about that, or they are rich enough to send their kids to private schools and insulate themselves from any hardship. And I think that is a very real possibility.

Mr. COLEMAN. If I may, Mr. Chairman—many of us tend to forget that the people currently middle income, or certainly above the level of poor, were very frequently poor yesterday. I think that a lower income population in an urban area or rural area is not a population to be casually discarded.

There are other aspects to the community development block grant program, and there are other aspects of our overall economy, and that relates to job development. If there is any aspect of housing that is more important than income, I cannot think of it. And I think it is doubley important that we develop programs of positive assistance to create jobs, and provide insurance, so that the people who are today with limited or lower incomes have the same opportunity that many people who are middle income today were able to get through a variety of means. The population that we have in our city may be somewhat younger. But it is a population that should be helped so that it could move into a better income level and have a more decent standard of living. Jobs are absolutely essential.

Mr. GRAY. Thank you. I think, Mr. Dellums, that has probed deeply into the questions I may have asked.

Mr. DYMALLY. No questions, Mr. Chairman.

Mr. GRAY. I would like to make a couple of observations. I think housing particularly in the urban areas could be the most explosive issue that we face coming upon us, along with continued high levels of unemployment. Because certainly as it has been pointed out when you make people live like animals, they are going to begin to respond to society like animals. And of course here in the city of Philadelphia we have had continued problems in this area.

One of the concerns that I have, and I would like to address this to Ms. Pittman, is that as you well know, at a housing conference held in July 1980, there was a decision made to seek to get more community and more tenant input into the Philadelphia Housing Authority—representation on the board, representation in assisting the management—in the belief that such a direction would develop a sense of pride within the housing projects of Philadelphia and along with that that housing conference made such recommendations. I supported those recommendations to the present administration. I know, Mr. Coleman, you do not represent the public housing authority, so I am not asking you. Have you had any response whatsoever? Have tenants been included on the board of representation of the Philadelphia Housing Authority, have they been included in management decisions, security decisions, tenant participation at the full level of public housing in the city of Philadelphia, in this new administration?

Ms. PITTMAN. No, they have not. There is still not a tenant on the board of directors of public housing. There is not a tenant represented in management problems or maintenance problems throughout the city of Philadelphia.

Mr. GRAY. I am sorry to hear that. I think that is very tragic, particularly when we are talking about a cutback in the funds for public housing. It seems to me one of the most fruitful ways we could go in terms of determining our priorities in public housing and also making significant improvements is by tenant participation. I know that at one time there were tenants who sat on the board of public housing of the city of Philadelphia. I know that as of the Housing Conference of July 1980 there had not been a tenant representative for 2 or 3 years. I think that is very tragic. I think that that situation definitely needs correction, particularly when in the U.S. Congress officials from HUD testify before congressional committees that perhaps the worst housing authority in the entire Nation is the Philadelphia Housing Authority. Certainly I would hope that that would be corrected. Because I do not believe that you are going to improve the quality of public housing without tenant participation in some substantial way.

One other question and observation I want to make. And I would like to direct this at Mr. Schwartz.

Many of the solutions that you have proposed to problems of inflation in housing appear to be the type of actions which would be undertaken by private enterprise or community groups. Do you agree with this. And why do you feel that Federal funding is essential to the continuation of expansion of such programs? I think one of the things that this administration is arguing is that many of the things that you are talking about—high inflation rate, getting the economy going again—that they are doing. And that in order to solve the housing problems of low-income people, you have to deal with inflation. And therefore you have to take some very painful medicine in the short term to improve the long-term outlook for people who want to borrow money for rehabilitation, construction, low income, and develop housing and neighborhoods. How do you respond to that?

Mr. SCHWARTZ. I say two things. First of all I suppose to take the second part of your statement, it depends on who is suffering pain, and what is the nature of the pain. There is one kind of pain that people in my neighborhood suffer during the winter as to whether they are going to be able to keep their thermostat at 60° or 40° and wear thick sweaters. And I suppose there is another kind of pain that will occur in certain areas of the mainline where people will have an anxiety about how to spend the extra $8,000 they are going to receive next year from their tax cut—how they are going to spend that money.

So who suffers this pain?

There is a very good book out just recently by Lester Thurow and Robert Heilbroner called "Five Economic Problems." I think what they say in that book is there are various ways of dealing with inflation. It is a question of who pays the price. Right now the price is supposed to be paid by the people who are least able to afford to live now.

As far as self-help versus government help, I think we have always had successful programs in this country when people have done something for themselves.

Our organizations have always fought for that; that people should take some responsibility to solve their own problems, and try to do things as much as they can for themselves. But that process cannot occur without the help of government.

If a community development corporation starts and gets chartered at first it needs money for staff. If it doesn't have that support for staff it won't get off the ground.

Now, maybe if it has some staff overtime it could become economically viable and generate its own internal funds. But it needs support for staff. It cannot necessarily also deal with some of the problems caused by institutions beyond their control.

There is no way in the short term that a community development corporation is going to be able to lower the interest rate on a mortgage. A credit union, after it is organized, might be able to give loans out at lower interest rates, and the credit unions we are organizing have done that. But that takes time.

For the moment, if you have very high interest rates and no interest subsidies such as exist in some of our programs now that Reagan is eliminating, then no self-help strategy is going to solve that problem.

Mr. **Gray**. I think you have answered my question.

Mr. Coleman, could you give me one more quick answer? One of the arguments that is being given as a part of the new economic policy, besides fighting inflation, which really hurts the housing industry—one of the other arguments given is that when many of these cuts come along there will be local sources of funding coming forward to fill the gap left by the decrease in Federal funding. Do you see that as a realistic option in a city like Philadelphia—that there will be local sources of funding to make up for the cuts, whether it be in community development block grant, public housing assistance, or whether it be in 312 programs or section 8.

Mr. **Coleman**. Mr. Congressman, in the main, local and State governments combined are without the resources to match any significant withdrawal of Federal funds—local and State combined would, generally speaking, be without the resources to replace any substantial reduction of Federal funds.

The Federal role is quite significant, and it is for that reason that we are thankful for Federal participation in our housing efforts to help low-income people. And it is for that reason that we would request and urge the U.S. Congress to continue its funding for housing programs for low-income people.

Mr. **Gray**. Thank you very much.

We want to thank the housing panel—Mr. Hamid, Mr. Royal, Mrs. Pittman, for your testimony. It will be entered into the record, your written testimony, as well as your other testimony.

Again, let me just simply reiterate the words of my colleague from California. I think housing is a very significant issue here in the city of Philadelphia.

I know in my own congressional district where you have over 50 percent of the abandoned houses and vacant houses of the city that a decrease in funding for housing programs means that there will be a continuation of that and not the ability for neighborhood groups as well as city groups to address that very important issue. And there are literally hundreds of people, thousands of people, tens of thousands of people, who have been on the waiting list for public housing in my congressional district for as much as 3, 4, and 5 years.

So I think the testimony about doubling and tripling up I have found in my own experience to be absolutely the case as I have traveled throughout my district.

Mr. DELLUMS. Mr. Chairman, I would like to thank all of you for your presentations, certainly your questions. And I join with the Chair in noting that you have made an enormous contribution to these proceedings and we deeply appreciate it.

Mr. ROYAL. Mr. Chairman, I think in the future it would be good if the appropriate committees in Washington would take those people from those neighborhoods to make the statements, because if you live in a neighborhood for 35 years you know the change. I have seen the changes you are talking about.

When you have 40 percent of the city that are renters, when you have the people that know, that you live down the street from, it is easier, when you have the people that live in the projects—it is easier for them to relate the message than for you and I or our peers. I think it would be very important. We must make an impact, and very soon.

Mr. GRAY. Thank you, Mr. Royal.

Let me say that is the exact purpose of these hearings being held here in Philadelphia rather than in Washington, D.C., so that people like yourself, who have been long-term residents of a neighborhood, people like Mrs. Pittman and others who actually live in public housing, can come before a congressional committee and submit their testimony. That has been the exact purpose of why we have tried to bring congressional committees to Philadelphia, because often these points of view are not heard in the Halls of Congress simply because many people cannot travel to Washington, D.C.

Thanks to the chairman of the District of Columbia Committee, Mr. Dellums, Philadelphia has been the first stop in a series of hearings in 1981 to look at urban problems throughout the United States.

Again, thank you very much for your testimony.

[The prepared statement of Ms. Pittman follows:]

### PREPARED STATEMENT OF MS. IDA MAE PITTMAN

Mr. Ronald V. Dellums, Chairman: And fellow members of the Committee on the District of Columbia, first of all, I would like to take this opportunity to introduce myself. My name is Ida Pittman, and I am a residence of the Raymond Rosen Housing project. And I am here today to speak on behalf of all the tenants from the area where we live.

I have great difficulty writing on this subject of the socio-economic problems that we the people face in and around the area where I live. This is a matter that concerns the heart as well as the head and that, Mr. Dellums, is the dilemma we face.

Affairs of the heart cannot be properly found in law, or in Congressional Intent. Questions of law have no place in the heart and should not be brought to bear upon or occupy the attention of your Committee from the District of Columbia, and our dear friends that live here in Philadelphia, and from other major cities from all over the country. However, the law of the land and the law of the heart can be properly brought to the attention of reasonable and concerned human beings where the ultimate question is one of life, liberty and the pursuit of happiness. And it is in this posture, Mr. Dellums, that I approach the Committee.

I have been a tenant of the Raymond Rosen project for the past 5 years, and I am the mother of two children which I am raising by myself in an environment where the conditions are extremely deplorable: Such as the repairs of the walls, ceiling falling, water being shut off for up to 4 weeks, where garbage has been allowed to build up to a maximum of 10 feet, making it a breeding ground for rats, roaches, and so on, the smoke from the incinerator which has caused many, many families to leave their apartments all times during the day and late night hours because no one really gives a damn about the poor.

Mr. Dellums, there are many things that contribute to the pangs and suffering of the poor families. The young and old, meaning the children and the elderly people that are unable to go up and down the stairways because of fear that something may happen to them; there are no lights whatsoever from floor to floor.

We are very much aware that the bureaucracies that control the Federal aid to States dates back to 1785: In that year the Congress under the Articles of Confederation directed that the $50,000,000 a year for grants to the States to support dozens of different programs. These funds go to States and local governments on a categorical basis—that is, for particular purposes, such as aid to the dependent children, aid to education, school lunch programs, facilities, urban renewal and slum clearance, and unemployment insurance, and many, many more. The Constitutional basis for the grant in aid program is found in the taxing power.

Article (1) Section (8), Clause (1). Mr. Dellums, it is the concern of this social setting where we the people live that places an insurmountable tabernacle to the virtues of the peoples families life, and rewards those protectors who work for the preservation and assurance of genealogical pedigree.

Housing Act of 1949—In which Congress declared that: "The general welfare and security of the nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and other blighted areas, and the realization as soon as feasible of the goal of a decent home and suitable living environment for every American Family."

Today, the National Government Housing Administration or may I say activities—now centered in HUD—rest very largely upon that statute and subsequent expansions of it, most notably in the Housing Acts of 1954 and 1961 and the Housing and Urban Development Acts of 1965 and 1968.

We the people place untold value upon the positive attitudes and social productiveness grown from simple, honest, lives and unpretentious communication in our household. Its this negation, this deprivation, this unexplained and unreasonable elements of the Raymond Rosen project that subtly strips a person of much, much more.

### LIVING CONDITIONS IN THE (PHA) HOUSING

(1) The maintenance man must improve, whenever there is a situation that needs attention, so that the problem won't get out of hand.

(2) There is no perfect funding for the (PHA).

(3) To call for a full board of director of the (PHA), so that they could be investigated for letting the housing and the project go down so much.

(4) To place more security police in the project area, so that our children would be able to live in safety.

(5) The (PHA) needs to bring the screening back.

(6) The (PHA) needs at least four (4) men in each building for cleaning and removing the trash out of the hallway.

(7) We the people need a very hard line on the tenants who throw things out their windows.

(8) We the people need to have some tenants on the Board of Directors so that we may have the opportunity to express our views and concerns about the living conditions surrounding our area.

(9) We the people need to have some of the tenants who live in these projects whom could show a great deal of concern about the living conditions here, those who do not live in this surrounding don't really care, because they don't have to live here.

(10) We the people need a twenty-four (24) hour maintenance man so that if a situation happens, someone would be able to handle it.

(11) We the people, need our own police station back in Raymond Rosen Project.

Mr. Dellums, surely if man can preserve space and substance for trees and lower animals, surely if reservation can be set aside to protect the continuation of species other than our own, then surely people family merits saving.

Before I close this subject, I would like to express my appreciation to the committee, and all the ladies and gentlemen who took this opportunity to listen, and to express their views on the deplorable conditions of the housing here in Philadelphia, Penn., and throughout the nation. Thank You!

At this time the Chair calls the crime panel.

We want to welcome Mr. Harold James, Mr. Bennie Swans, and Mr. Jewell Williams to this congressional hearing on urban centers, and this panel will discuss crime.

## STATEMENTS OF HAROLD JAMES, PRESIDENT, GUARDIAN CIVIC ASSOCIATION; BENNIE SWANS, EXECUTIVE DIRECTOR, CRISIS INTERVENTION NETWORK; AND JEWELL WILLIAMS, BOARD MEMBER, CENTRAL NORTH PHILADELPHIA RESOURCE CENTER

Mr. GRAY. In the interest of time, since we are almost 45 minutes to 1 hour behind schedule, I would like to ask Mr. Swans, Mr. Williams, and Mr. James if you will just briefly summarize in 3 minutes. I will have to hold you very strictly to that.

I know that you have many more things to say. We are going to bring that out in the questioning. You will find that you get plenty of opportunity to express things in detail. If you limit your opening remarks to 3 minutes, that would provide us an opportunity to get indepth very quickly to some of the substantive questions which will, of course, allow you to get into the deeper aspects of your testimony. And we want to remind you all of your testimony which will be submitted for the record.

The committee will come to order. At this time we will call on Mr. Bennie Swans, executive director, Crisis Intervention Network, Inc.

### STATEMENT OF BENNIE SWANS

Mr. SWANS. Thank you very much, Congressman Gray, and thank you for allowing me to testify in front of the committee here this afternoon.

I will read several parts from my testimony here and sort of just try to summarize some other pieces.

First of all let me say that Crisis Intervention Network, Inc., was established in 1975 as a community inspired initiative to prevent youth violence in the city of Philadelphia.

This project innovation employed indigenous staff and it acted to coordinate the operational inputs of institutional level service providers.

The program has been very effective in accomplishing its mission and since its implementation gang-related deaths in the city have been reduced by more than 80 percent. By reputation, the project has attained national prominence as one of the few in the country successful in dealing with gang/youth violence.

Our experience in operating the Crisis Intervention Network, Inc., program in Philadelphia provides insight as to trends of youth crime and violence over the years; in today's testimony I would like to speak to contemporary trends in collective youth behavior and its relationship to changing socioeconomic circumstances in large northern cities.

The current wave of fiscal austerity in human services threatens to create the increased play of forces which are identified as being underlying causes of juvenile delinquency. For this reason I would like to focus initial attention on the nature and influence of these social variables.

Foremost among socioeconomic problems affecting juvenile delinquency and overall crime rates is the increasing unemployment which plagues northern cities. Industrial relocation in the Sun Belt States has contributed to a decline in manufacturing industries which have traditionally employed Philadelphia's blue-collar workers, and institutions carrying the mandate of re-orienting the labor force to new service professionals have failed under the complexity of the task.

Crisis Intervention Network, Inc.'s field work in minority neighborhoods indicates that the youth who reside in these neighborhoods will face severe problems in a future of increasing economic uncertainty and governmental austerity.

Research done in 1978 by economist Bernard E. Anderson shows serious obstacles which already face black youth who are seeking employment in Philadelphia. Anderson's research speaks to the long-term shift in the structure of the region's economy and the failure of the school system to prepare inner-city youth for the service economy which is replacing some of the manufacturing jobs lost.

Dr. Anderson's observations focus on the employability problems of minority youth, but shifts in the labor market and inadequacies of the educational system create barriers to employment for all youth.

The cutbacks proposed by the current Federal administration would compound the structural and cyclical unemployment we now help to address with the crisis intervention network program.

Based on these trends and a suspected direct relationship between youth unemployment and juvenile crime, we anticipate an upswing in juvenile crime, especially offenses involving youth violence and/or predatory crimes.

Philadelphia's recent experience with predatory youth groups, subway violence, and interracial/general youth disturbances supports our unfortunate prediction of more widespread problems to come; Crisis Intervention Network, Inc., is playing a key role in meeting the new modes of youth delinquency and we continue to surveil traditional gang neighborhoods where there remains potential for renewed gang warfare as socioeconomic conditions change.

It is obviously as a result of underemployment and unemployment that Philadelphia as well as a number of other large urban areas will face a major upswing in crimes, and those crimes not only affect youth but the entire neighborhood.

We have also found some other items that are quite alarming. One, we found that the Federal government apparently is basing a number of its policies on a decline in youth population in most areas of the country. That does not necessarily hold true in our urban areas.

In fact, what we have found is that there is a larger number of youngsters in our urban areas and, again, Federal policy cuts back in Federal dollars geared toward assisting youth service agencies.

If we look at the Miami situation—in fact, we don't even have to really go that far. We can look at what occurred in north central Philadelphia last summer.

An excellent example of a community crisis solved by joint community and institutional level actions avails itself in Crisis Intervention Network, Inc.'s coordination of community and institutional response to an August 1980 civil disorder in north Philadelphia.

In response to this potential crisis, Crisis Intervention Network deployed its entire field staff, established an outreach center for organizing the range of community services and organizations deployed to quell the riot, and organized adult gang members to serve as a community patrol.

There have been those who suggested that the older adult gang member can be of no value to the system. What we have found in north central Philadelphia, if it had not been for the involvement of those young persons, those young adults, that north Philadelphia would have burned.

I think that people can be productive if they are given the opportunity. Our civil service system, our municipal, State, and Federal governments, does not allow that kind of participation. It does not allow for creative ideas. It discriminates against the hiring of those persons because of guidelines that suggest that formal education must be the only criteria, and does not take into consideration the experience of a number of persons that live in minority communities.

Crisis Intervention Network, on the other hand, is an agency that has built its entire system around the hiring of indigenous persons, persons that are community leaders, persons with a tremendous life experience, persons that can bring forth creative and innovative ideas to impact on a number of situations. They have done so successfully with the gang problem in Philadelphia. They worked successfully with community-inspired leaders—persons who work at the community base level.

Again, if it had not been for those persons, north central Philadelphia would have burned.

To summarize, Crisis Intervention Network Inc., would consolidate all stated recommendations in the creation and operation of a congressional task force on community crime prevention; this task force would enlist the inputs of community-based organizations, private sector business interests, and major academic institutions.

So composed, the proposed congressional task force would review emerging Federal legislation and provide inputs to insure that Federal policies are consistent with the interests of grassroots communities.

Primary attention would be focused on policies affecting youth employment and on methods for gearing up neighborhood crime prevention efforts in large and small U.S. cities.

The specific inputs to task force proceedings would be as follows:

First, community-based organizations such as Crisis Intervention Network, Inc., would represent the interests of grassroots communities in portraying the nature of neighborhood crime problems and by advocating increased funding and transfer of contemporary crime prevention programs/technologies to troubled communities.

Second, private sector business representatives would be asked to arrange funding for demonstration neighborhood crime prevention programs; business representatives would also be asked to help recruit private sector involvement in expanding employment/training opportunities for youth in the private sector.

Additionally, private sector business would participate through helping congressional bodies to develop a policy conducive to private sector funding of neighborhood projects; Federal tax incentive programs for such contributions would be the focus in these exchanges.

Third, academic inputs to the task force would provide expert counsel on the research and training dimensions of community crime prevention.

Working together to influence the direction, funding levels, and evaluation of community crime prevention efforts, the proposed task force members would advise Federal policies governing the distribution of crime prevention/employment funds on a national basis.

It is anticipated that such inputs would promote increases in resources and methodologies employed in model crime prevention programs which, in turn, can be replicated on a broader basis in the future.

Mr. Gray. Thank you very much, Mr. Swans.

[The prepared statement of Mr. Swans follows:]

U.S. House of Representatives
Committee on the District of Columbia
HEARINGS
on
URBAN CENTERS, WASHINGTON, D.C. and the FEDERAL ROLE
TESTIMONY
of

Bennie J. Swans, Jr.
Executive Director
Crisis Intervention Network,Inc.
1405 Locust Street - Mezz.
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Crisis Intervention Network, Inc., was established in 1975 as a community inspired initiative to prevent youth violence in the City of Philadelphia. This project innovation employed indigenous staff, and it acted to coordinate the operational inputs of institutional level service providers. The program has been very effective in accomplishing its mission and since its implementation, gang related deaths in the City have been reduced by more than 80%. By reputation, the project has attained national prominence as one of the few in the country successful in dealing with gang/youth violence.

Our experience in operating the Crisis Intervention Network, Inc. program in Philadelphia provides insight as to trends of youth crime and violence over the years; in today's testimony I would like to speak to contemporary trends in collective youth behavior and its relationship to changing socio-economic circumstances in large northern cities. The current wave of fiscal austerity in human services threatens to create the increased play of forces which are identified as being underlying causes of juvenile delinquency. For this reason, I would like to focus initial attention on the nature and influence of these social variables.

Foremost among socio-economic problems effecting juvenile delinquency and overall crime rates, is the increasing unemployment which plagues northern cities. Industrial relocation in the Sunbelt states has contributed to a decline in manufacturing industries which have traditionally employed Philadelphia's blue collar workers, and, institutions carrying the mandate of re-orienting the labor force to new service professions have failed under the complexity of the task.

Costs which exceed revenues has been the plight of most large cities, and Federal assistance in countering the effects of the economic swing has been essential to urban stability. Now we face the future with a Federal economic policy which runs the risk of increasing the number of persons who will become unemployed in major northern cities, while at the same time it denies these persons access to the traditional supports.

Crisis Intervention Network, Inc's field work in minority neighborhoods indicates that the youth who reside in these neighborhoods will face severe problems in a future of increasing economic uncertainty and governmental austerity. Research done in 1978 by economist Bernard E. Anderson shows serious obstacles which already face Black youth who are seeking employment in Philadelphia.[1] Anderson's research speaks to the long term shift in the structure of the region's economy and the failure of the school system to prepare inner city youth for the service economy, which is replacing some of the manufacturing jobs lost.

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[1] Professor Bernard E. Anderson, as quoted in a Sunday, January 12, 1980 Philadelphia Inquirer article "Area's Youth Look Ahead to Unemployment."

Dr. Anderson's observations focus on the employability problems of minority youth, but shifts in the labor market and inadequacies of the educational system create barriers to employment for all youth. School drop out rates in Philadelphia, for example, show that White and Hispanic youth of Northeast Philadelphia have the highest school drop-out rates in the city;[2] juvenile delinquency rates for this area is also the highest in the city, and we are increasingly receiving reports of youth disturbances in these areas.

The cutbacks proposed by the current Federal Administration would compound the structural and cyclical unemployment we now help to address with the Crisis Intervention Network program. Based on these trends, and a suspected direct relationship between youth unemployment and juvenile crime, we anticipate an upswing in juvenile crime, especially offenses involving youth violence and/or predatory crimes.

Philadelphia's recent experiences with predatory youth groups, subway violence, and inter-racial/general youth disturbances supports our unfortunate prediction of more widespread problems to come; Crisis Intervention Network, Inc. is playing a key role in meeting the new modes of youth delinquency, and, we continue to surveille traditional gang neighborhoods, where there remains potential for renewed gang warfare as socio-economic conditions change.

While policy makers at the Federal level may increasingly base the planning of youth dollars on the national trend toward a smaller population of youth, ages 14-24, this planning perspective may be misleading in predictions of the urban minority group populations in the 1980's. U.S. Department of Justice funded research on urban gangs done by Walter B. Miller in 1975 projected an increase in the urban minority youth populations of Philadelphia, Los Angeles, Chicago, New York City, Detroit, and San Francisco, during the 1980's in contrast to downward trends in the same nation wide youth populations projected for this period. Miller pointed this out by comparing the age groups 0-9 and 10-19 in the cities where gang warfare was serious verses the same statistics for the general population. For the 0-9 year olds "growing into" the 10-19 range in the 1980's, there was an 5% decrease in the general population, but, a 8.4% increase in Philadelphia and five (5) other large cities with serious gang problems.[3]

Crisis Intervention Network, Inc., field observations identify a factor which will compound the effects of any increase in the population of youth most likely to commit criminal offenses; as urban unemployment becomes more severe, we are seeing an increased number of young adults, 20-30 years old, who remain in the gang peer culture because they can no longer move into mainstream lifestyles. Unemployed young adults of criminal lifestyles add to the problems we face in correcting younger youth, because the younger ones emulate the criminal behavior of older peers.

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2. As reported in the City of Philadelphia Criminal Justice Coordinating Commission/Office 1981 Criminal Justice Plan.

3. Walter B. Miller, Violence By Youth Gangs and Youth Groups as a Crime Problem in Major American Cities. Monograph prepared in December 1975 for the Law Enforcement Assistance Administration.

The above cited problems affecting juvenile delinquency are firmly entrenched in Philadelphia and other major cities, and cutbacks in Federal, State, and local programs to solve these problems are inappropriate, when we consider the substantial service supports necessary to buffer and overcome the limitations of the major systems which now deal with these problems.

A Federal policy which ignores the nature and extent of the youth crime problem and its underlying causes will fall far short of must be done to improve control over this social problem. It is essential that Federal policy include provisions for providing more discretionary funds to community based organizations concerned with neighborhood crime prevention problems and solutions. Because these groups represent first line experience with neighborhood crime problems, and the strongest impetus toward solution to these problems, they should be provided a key role in the solutions that are applied. This involvement requires a Federal policy providing their input to policy making as well as program implementation.

Because Crisis Intervention Network, Inc., is a working demonstration of what can be done with broad community input from neighborhoods and institutions, we recommend more provisions in Federal policy which insure the creative participation of neighborhood residents in planning and carrying out crime prevention initiatives which maximize the planning of informal social controls at the neighborhood level; as for levels of funding, a revenue sharing program which provides more local discretion as a trade off for less overall money is subjected to question by residents of cities facing dangerous social reactions to the profound cutbacks about to take place.

The Crisis Intervention Network, Inc., experience with neighborhood groups and indigenous personnel demonstrates the creative gains that can be made in curbing community crime. In launching its program, Crisis Intervention Network sought the input and participation of neighborhood Parent Councils. Throughout its history, the Project has maintained the participation of community persons/groups in its planning and action processes, and accountability to the neighborhoods served has been a key element in the Crisis Intervention Network success.

Another essential ingredient of the Crisis Intervention Network, Inc., success has been its utilization of indigenous personnel. The life experiences of these workers provide them an understanding of, and commitment to, the neighborhoods they serve. Agency fieldworkers are trained to influence youth in positive directions by their personal examples and knowledge of resources. The open hiring policy of Crisis Intervention Network, Inc., provides a real community input to program quality and impact.

In contrast to Crisis Intervention Network, Inc., many urban human service agencies supported in full or part with Federal dollars, fail to incorporate the creative play of indigenous persons who would bring fresh ideas to problem solutions in their neighborhoods. Especially exclusive in their hiring policies, public sector civil service agencies typically deny equitable employment to skilled paraprofessionals, because certain formal education criteria are not met. Federal policy should acknowledge that solutions to urban social problems require participation of those whose life experiences give them special insight and skills to deal with these social problems. In acknowledging the potential of this kind of work force, Federal policy makers should insure that indigenous persons are employed on an equitable basis in Federal programs, and that steps be taken to encourage the same policy in cities receiving Federal block grants and/or discretionary dollars.

As implicitly stated throughout this testimony, Crisis Intervention Network, Inc., experience in curbing youth violence has been a demonstration of effective community involvement in crime prevention. Informal social control on the neighborhood level will increasingly become a major force in crime control during the 1980's and special Federal attention should be focused on programs in which demonstrations of such informal social control mechanisms have been proven effective.

An excellent example of a community crisis solved by joint community and institutional level actions avails itself in Crisis Intervention Network, Inc's., coordination of community and institutional response to an August 1980 civil disorder in North Philadelphia. In response to this potential crisis, Crisis Intervention Network deployed its entire field staff, established an outreach center for organizing the range of community services and organizations deployed to quell the riot, and organized adult gang members to serve as a community patrol. The contention that these indigenous young persons would respond well to being asked to help safeguard the community was confirmed in the effectiveness of their contribution to the North Philadelphia intervention.

The Crisis Intervention Network, Inc., interface with the Philadelphia Police during the North Philadelphia crisis was also essential to bringing about an early resolution of community tensions. In its relationships with Police/Law Enforcement Officials and City/County Government Departments, Crisis Intervention Network, Inc., makes the critical bridge between community stake holders, institutional programs, and policy makers. The North Philadelphia demonstration of this critical bridge in operation warrants Federal review, as we enter times when such civil disorders may be prevalent as the responses urban poor and minority group populations make to disruption of earlier established expections.

Crisis Intervention Network, Inc., would consolidate all stated recommendations in the creation and operation of a Congressional Task Force on community crime prevention; this Task Force would enlist the inputs of community based organizations, private sector business interests, and major academic insititutions.

So composed, the proposed Congressional Task Force would review emerging Federal Legislation, and provide inputs to insure that Federal policies are consistent with the interests of grass roots communities. Primary attention would be focused on policies affecting youth employment, and on methods for gearing up neighborhood crime prevention efforts in large and small U.S. cities. The specific inputs to Task Force Proceedings would be as follows:

1. Community Based Organizations, such as Crisis Intervention Network, Inc., would represent the interests of grass roots communities in portraying the nature of neighborhood crime problems, and by advocating increased funding and transfer of contemporary crime prevention programs/technologies to troubled communities.

2. Private Sector business representatives would be asked to arrange funding for demonstration neighborhood crime prevention programs; business representatives would also be asked to help recruit private sector involvement in expanding employment/training opportunities for youth in the private sector. Additionally private sector business would participate through helping congressional bodies to develope a policy conducive to private sector funding of neighborhood projects; Federal tax incentive programs for such contributions would be the focus in these exchanges.

3. Academic inputs to the Task Force would provide expert counsel on the research and training dimensions of community crime prevention.

Working together to influence the direction, funding levels, and evaluation of community crime prevention efforts, the proposed Task Force members would advise Federal policies governing the distribution of crime prevention/employment funds on a national basis. It is anticipated that such inputs will promote increases in resources and methodologies employed in model crime prevention programs, which in turn can be replicated on a broader basis in the future.

Mr. **Gray**. Mr. Williams, again, I would like to ask you to summarize briefly in 3 minutes your written testimony and, of course, the entire statement will be entered into the record.

## STATEMENT OF JEWELL WILLIAMS

Mr. **Williams**. Mr. Gray, gentlemen, I would like to first thank you for inviting the Central North Philadelphia Resource Center here today for testimony. I would like to give you a brief summary of the Central North Philadelphia Resource Center which is the community patrol which served a large and major role in the problem we had last August.

We formed the community group of unemployed youths in our community to focus on a problem that we had in North Philadelphia. We were successful with the help of our Congressman, and many cities groups, along with Mr. Swans' Crisis Intervention.

Our community group realized and recognized that the problem in our community was basically unemployment, which caused crime to rise drastically. We now notice that there is going to be a problem over in Chester as well as the problems that have arisen in Florida.

Our community group would like to make a recommendation that the congressional committee become a major factor in dealing with inner city community groups. We would like for a community group like ourselves to become a major decisionmaker in the Federal Government. The community groups would give a grassroots form of their insight as being advocated to the Government.

We also realize that the Reagan budget cuts do put a lot of stress upon black people as well as other minority people. We also realize that the Reagan budget cuts would make our community as well as many other communities become high crime areas because of unemployment.

The Central North Philadelphia Resource Center is basically a voluntary group who would like to see more things happening; more positive work from our Federal Government.

Thank you very much.

Mr. **Gray**. Thank you very much, Mr. Williams. And now Mr. Harold James.

Mr. James, we have received a copy of your testimony. We would like to ask you to try to summarize it in brief. We will be asking questions about not only what you have said, but what you have written.

## STATEMENT OF HAROLD JAMES

Mr. **James**. Thank you, Mr. Gray.

I am sorry to say that that is not my entire testimony. I have to get you two more pages.

Anyhow, Mr. Chairman, members of the committee and concerned citizens, good afternoon. We are honored to be before this distinguished body of our Nation's lawmakers from the 97th Congress. We take this time to thank you for inviting us. Also we must commend your chairman and you for having the wisdom of holding a series of hearings in several of our major urban centers around the country, to more effectively impact on serious urban problems that are rapidly worsening, as is the case in our city of Philadelphia.

Many thanks must be recorded from your colleague, the gentleman from Pennsylvania, and our Congressman of the Second Congressional District, Rev. William H. Gray III, who has been using his resources to help us work on this problem we are about to expound on.

We are here as representatives from the Guardian Civic League which is comprised of 900 members, predominantly black active police officers; but our concern extends to law enforcement issues as they affect the total community and the black community in particular.

We hope to impact on you about a serious urban problem in our city that might be happening in other major urban areas. We are hopeful that you may identify the most effective way Federal resources and policies can be used in solving these problems.

In a letter from former President Carter, addressed to the delegates at our eighth annual conference of the National Black Police Association last year in New York City, of which I quote in part:

> Police officers must meet and deal with the problems of our cities in human terms, and they know perhaps better than anyone else how difficult and dangerous those problems can be.
>
> Black police officers, both men and women, carry a heavier burden as police officers because the failures of social programs and of the criminal justice system often fall heaviest upon black people. That is why black police officers have a very special responsibility. Your success in meeting that responsibility in the past has been outstanding, and I wish you continued success in the future as you perform one of the most demanding and worthwhile jobs in our society.

There is severe underrepresentation of blacks at all levels of the Philadelphia Police Department. This underrepresentation is the result of the use of discriminatory criteria for hiring and promotions over the last 15 years.

The existing hiring and promotional selection systems have an adverse impact on black candidates for entry and promotions; it also perpetuates the effects of past discrimination.

The city of Philadelphia and the Philadelphia Police Department have a compelling interest in eliminating the effects of discrimination from hiring and promotional decisions in the police department and improving the quality of law enforcement in Philadelphia.

Let us examine the period 1965 to 1970. Philadelphia was one of the few major cities which avoided a major violent racial confrontation. It must be noted that during this period of time the city was gripped with some of the most insensitive police command in the history of the city.

Why was Philadelphia calm? One of the reasons for the relative calmness is directly related to the fact that there was an alltime high of black officers on the force at that time. Blacks represented over 20 percent of the department while the total black population was less than 30 percent of the city.

Black officers were the buffer between command and the delivery of real police services because they were able to operate in predominantly black populated districts, from a black perspective.

The period was preceded by the 1964 riot on Columbia Avenue and it seems to have been the impetus for the massive influx of blacks into the ranks of the police department, as well as upward mobility for blacks.

It is our contention that the decision to hire more blacks made after the 1964 riots staved off the bloody confrontations which were being perpetrated in other major cities, which at that time were being lauded for the sensitivity at the top.

It is key to note that during this period of gain there was a significant setback with the appointment of Frank L. Rizzo as police commissioner and his subsequent rise to mayor.

One of his first moves, that accelerated the systematic discrimination against blacks, was to transfer control of the civilian personnel department selection process for candidates to the police department.

Prior to Commissioner Rizzo the selection of police candidates by the personnel department resulted in blacks being selected at a rate nearly proportional to their population in the city, such that by 1967 blacks reflected 27 percent of police recruits.

After Rizzo took over the figure plummeted to a low of 7 percent in a 4-year period, thereby establishing the basis for a discrimination suit to be instituted.

As a result of the Rizzo reign we are now faced with the distinct possibility of an all-white police department in approximately 10 to 15 years.

What is very significant is that during the period mentioned the black population in the city rose and is now estimated to be at least 45 percent. Yet black representation is lower in total number of blacks and percentage in a police department that has risen in total complement from 6,900 to nearly 7,500; the number of blacks fell from over 1,400 down to about 1,200.

It is also very significant that black officers have not been defendants in legal actions charging brutality and they work predominantly in the areas where those legal actions emanate.

The legal action arising from the discriminatory impact of city hiring and promotion was basically politically instigated. This is not to say that there was not solid groundwork for such a legal undertaking but that for such action to be successful the affected class must be prepared and ready for such an undertaking.

It would be safe to say that of the successful suits litigated, the large majority were instigated by the class seeking governmental aid and not governmental agency soliciting an aggrieved class, no matter how valid the discriminatory situation may have been.

The Shapp and Rizzo administrations were not in accord and they were warring and, as the old Indian saying goes, "When the elephants battle, the grass gets hurt."

Black officers were not sufficiently aware of the gravity of the situation and the aura of the 1965 civil rights movement had not yet worn off. It is clear that the court was aware of the problems in Philadelphia and acknowledged the rightfulness of the moral argument but felt impotent to get involved in eliminating local government prerogative and administrative incompetence.

The police department is the criminal justice institution which usually has first contact with the citizens. We patrol the community and conduct investigations when crimes are committed.

We recognized the public's fear of crime and demands for police officers to be sensitive to the needs of the community in which they serve. We are concerned about their exclaiming for a response from our leaders at all levels of government. But we can never hope to achieve a just and lasting solution to crime and/or a sensitive police department without first addressing the realities that impact on them.

There is an undeniable critical shortage of black supervisors, including detectives; because of this condition there is abrasive and noncohesive interaction between black and white police officers and between the police and black community.

Furthermore, the failure to incorporate blacks in all capacities of police work has created unrest among black officers and mistrust of the police department and the city administration by black Philadelphians.

The Guardian Civic League has continued to articulate these conditions and we have illustrated the severe and critical shortage of black supervisors in the Philadelphia Police Department.

We have also reflected the frightening trend of promotions and retirements that will result in further alienation of the black community from the police department. Such alienation will result in increased violence, resentment, and mistrust on both sides of the police/community relationship.

The trend that is illustrated in attachment No. 3 clearly indicates to black police officers that upward mobility within the Philadelphia Police Department is restricted and does not include them.

Of course, the black population of Philadelphia is even more concerned. Because of the existing situation, there is a lack of viable role models exposed to black children. Young black Philadelphians perceive that the only contact they can possibly have with the criminal justice system will be in a negative vein and not as professionals in that system.

In the 1960's during the height of urban unrest in our country, the Kerner Commission reported that one of the major reasons for racial upheavals in our metropolitan areas was the tension created when communities are policed by police officers that do not understand the customs and subculture of that community.

The commission went on to recommend that "Police departments in our urban areas must reflect the racial and ethnic makeup of the community served."

During a recent period of racial unrest in north central Philadelphia many residents of North Philadelphia expressed the need for more black police officers and supervisors in their community; many were shocked and angry about there not being one black above sergeant in the north central police division where 90 percent of the residents are black.

There can be no question of a tremendous need for a massive influx of black police officers into the supervisory positions of the Philadelphia Police Department.

Examining the statistical data provided with this paper one can clearly see that without an immediate and intensified effort to increase the amount of black supervisors in the police department the situation will worsen to the point where black citizens of Philadelphia may resort to the strategy of the 1960's and "take to the streets."

Unfortunately, substantial gains for blacks have been made only after much bloodshed, violence, loss of life, property, and to many black Philadelphians that is the only road to travel for change.

The Guardian Civic League does not subscribe to violence. We recognize that disorders in urban areas are on the most part responses to high unemployment, hiring conditions, and unjust and arbitrary treatment by local governmental agencies.

Violent disorders are usually catalyzed by an incident within the criminal justice system. That may range from a perception of police misconduct through deadly force or the lack of proper prosecution resulting through the court finding of not guilty to some charge perceived as a racial incident.

We therefore urge this prestigious committee to help implement the machinery which must be set in motion to insure that local government in major urban centers make their police departments understand that its interest in race relations must extend beyond merely controlling disorders, that real and concrete efforts must be made that will lead to a better understanding of the views and culture of minority residents.

This knowledge must be reflected in the police department's policymaking and planning procedures, which must enhance and improve the quality of law enforcement in those respective urban centers.

While violence cannot be the final answer to the numerous grievances in our major urban centers across this great Nation, we, being apart of this unfair criminal justice system, must ask: What besides a civil disorder does it take for any or all levels of government to sense and react to these many patterns of discrimination in our criminal justice system generally and police departments in particular?

The Guardian Civic League encourages you in your wisdom to use all the resources necessary to make Philadelphia a constructive example for other cities across this Nation by increasing minority representation at all levels in our police department.

You may help solve the Nation's problem of why it still seems so difficult for the criminal justice system to provide equal employment, service, and elementary justice to minority people.

We have addressed this problem with our mayor, who is ultimately responsible for allowing this situation to continue to date, and have suggested several solutions, one being that the city administration resort to use a section of our civil service regulations which allows the police department to request certification of individuals having particular skills or experiences that would add to the performance of the job they will enter, ahead of other eligibles on the list that do not have those needed qualifications.

The league feels that there is a definite need for police supervisors with the experience and skills that one obtains by being black in America and that the appointment of these people to various supervisory positions in the Philadelphia Police Department with these qualifications will be of tremendous benefit to all Philadelphians.

We have also presented to our mayor a 23-page paper prepared by our attorney that details a description of need, a proposed plan, and the legal authority to implement it.

The plan would end the exclusion of a disproportionate number of blacks and enable Philadelphia to meet its duty to eliminate past discrimination, and it is clearly constitutional.

We have attached a copy of this position paper for your committee's information, hoping that administrators in other urban centers who have the courage to remedy past discrimination will use it.

We cannot allow this constant regression in professional mobility to decimate the ranks of black police officers in this city or any other major urban area across our Nation.

Somewhere I read people were characterized into three types: one, people who make things happen; two, people who see things happen; and, three, people who don't know what is happening.

In the area that we address you about today, our administration are the number two type of people who see things happen and give appropriate lip service. However, we believe those of you are here today from our Nation's Capital, taking the time to listen and be concerned about the welfare of others, are the first kind of people who somehow or another will find a way to make things happen because you care about our urban centers.

[The material referred to follows:]

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JUNE 15, 1981

U.S. HOUSE OF REPRESENTATIVES, NINETY-SEVENTH CONGRESS TESTIMONY BEFORE THE COMMITTEE ON THE DISTRICT OF COLUMBIA ON OVERSIGHT HEARINGS ABOUT MAJOR PROBLEMS IN URBAN CENTERS AT TEMPLE UNIVERSITY, PHILADELPHIA, PENNSYLVANIA.

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE AND CONCERNED CITIZENS, GOOD AFTERNOON. WE ARE HONORED TO BE BEFORE THIS DISTINGUISHED BODY OF OUR NATION'S LAWMAKERS FROM THE 97th CONGRESS. WE TAKE THIS TIME TO THANK YOU FOR INVITING US. ALSO WE MUST COMMEND YOUR CHAIRMAN AND YOU FOR HAVING THE WISDOM OF HOLDING A SERIES OF HEARINGS IN SEVERAL OF OUR MAJOR URBAN CENTERS AROUND THE COUNTRY, TO MORE EFFECTIVELY IMPACT ON SERIOUS URBAN PROBLEMS THAT ARE RAPIDLY WORSENING SUCH AS, IS THE CASE IN OUR CITY OF PHILADELPHIA. MANY THANKS MUST BE RECORDED FOR YOUR COLLEAGUE, THE GENTLEMAN FROM PENNSYLVANIA AND OUR CONGRESSMAN OF THE SECOND CONGRESSIONAL DISTRICT, REVEREND WILLIAM H. GRAY III, WHO HAS BEEN USING HIS RESOURCES TO HELP US WORK ON THIS PROBLEM WE ARE ABOUT TO EXPOUND ON.

WE ARE HERE AS REPRESENTATIVES FROM THE GUARDIAN CIVIC LEAGUE, LOCAL CHAPTER OF THE NATIONAL BLACK POLICE ASSOCIATION, WHICH HAS 83 CHAPTERS IN TWENTY-THREE STATES AND THE DISTRICT OF COLUMBIA, REPRESENTING OVER 20,000 BLACK POLICE OFFICERS ACROSS THE COUNTRY.

ON BEHALF OF THE GUARDIAN CIVIC LEAGUE, WHICH IS COMPRISED OF 900 MEMBERS, PREDOMINATELY BLACK ACTIVE POLICE OFFICERS, WE STATE: ONE OF OUR ORGANIZATION'S OBJECTIVES IS TO PROMOTE JUSTICE, FAIRNESS AND EFFECTIVENESS IN POLICE WORK. OUR PERSPECTIVE IS THAT OF BLACK POLICE OFFICERS; BUT OUR CONCERN EXTENDS TO LAW ENFORCEMENT ISSUES AS THEY AFFECT THE TOTAL COMMUNITY, AND THE BLACK COMMUNITY IN PARTICULAR. WE HOPE TO IMPACT ON YOU ABOUT A SERIOUS URBAN PROBLEM IN OUR CITY THAT

OFFICERS:
HAROLD JAMES
*President*
JOHN GREEN
*1st Vice President*
RONALD OLIVER
*2nd Vice President*
STEVE BENNETT
*3rd Vice President*
FRED BAILEY
*Recording Secretary*
WILLIAM JOHNSON
*Financial Secretary*
NORMAN CARTER
*Corresponding Secretary*
JULIUS ARMSTRONG
*Treasurer*
HAYWOOD TOWNSEND
*Sgt. at Arms*
DeMONSO WATERS
*Chaplain*
LESLIE SEYMORE
*Auditor*
CLINTON SANADA
*Auditor*
HOWARD WILLIAMS
*Auditor*
EXECUTIVE BOARD
Barbara Hines
Jim Shoe
Ed James
Ben Brown
William Blackmon
James Holley
*Past President*
Alphonso Deal
*President Emeritus*

MIGHT BE HAPPENING IN OTHER MAJOR URBAN AREAS. IN THAT YOU MAY IDENTIFY THE MOST EFFECTIVE WAY FEDERAL RESOURCES AND POLICIES CAN BE USED IN SOLVING THESE PROBLEMS.

IN A LETTER FROM FORMER PRESIDENT CARTER, ADDRESSED TO THE DELEGATES AT OUR EIGHT ANNUAL CONFERENCE OF THE NATIONAL BLACK POLICE ASSOCIATION LAST YEAR IN NEW YORK CITY, OF WHICH I QUOTE IN PART;

> "POLICE OFFICERS MUST MEET AND DEAL WITH THE PROBLEMS OF OUR CITIES IN HUMAN TERMS, AND THEY KNOW PERHAPS BETTER THAN ANYONE ELSE HOW DIFFICULT AND DANGEROUS THOSE PROBLEMS CAN BE.
>
> BLACK POLICE OFFICERS, BOTH MEN AND WOMEN, CARRY A HEAVIER BURDEN AS POLICE OFFICERS BECAUSE THE FAILURES OF SOCIAL PROGRAMS AND OF THE CRIMINAL JUSTICE SYSTEM OFTEN FALL HEAVIEST UPON BLACK PEOPLE. THAT IS WHY BLACK POLICE OFFICERS HAVE A VERY SPECIAL RESPONSIBILITY. YOUR SUCCESS IN MEETING THAT RESPONSIBILITY IN THE PAST HAS BEEN OUTSTANDING, AND I WISH YOU CONTINUED SUCCESS IN THE FUTURE AS YOU PERFORM ONE OF THE MOST DEMANDING AND WORTHWHILE JOBS IN OUR SOCIETY."

THERE IS SEVERE UNDERREPRESENTATION OF BLACKS AT ALL LEVELS OF THE PHILADELPHIA POLICE DEPARTMENT. THIS UNDERREPRESENTATION IS THE RESULT OF THE USE OF DISCRIMINATORY CRITERIA FOR HIRING AND PROMOTIONS OVER THE LAST FIFTEEN YEARS. THE EXISTING HIRING AND PROMOTIONAL SELECTION SYSTEMS HAVE AN ADVERSE IMPACT ON BLACK CANDIDATES FOR ENTRY AND PROMOTIONS IT ALSO PERPETUATES THE EFFECTS OF PAST DISCRIMINATION. THE CITY OF PHILADELPHIA AND THE PHILADELPHIA POLICE DEPARTMENT HAVE A COMPELLING INTEREST IN ELIMINATING THE EFFECTS OF DISCRIMINATION FROM HIRING AND PROMOTIONAL DECISIONS IN THE POLICE DEPARTMENT AND IMPROVING THE QUALITY OF LAW ENFORCEMENT IN PHILADELPHIA.

LET US EXAMINE THE PERIOD 1965 TO 1970, PHILADELPHIA WAS ONE OF THE FEW MAJOR CITIES WHICH AVOIDED A MAJOR VIOLENT RACIAL CONFRONTATION. IT MUST BE NOTED THAT DURING THIS PERIOD OF TIME THE CITY WAS GRIPPED WITH SOME OF THE MOST INSENSITIVE POLICE COMMAND IN THE HISTORY OF THE CITY. WHY WAS PHILADELPHIA CALM? ONE OF THE REASONS FOR THE RELATIVE CALMNESS IS DIRECTLY RELATED TO THE FACT THAT THERE WAS AN ALL TIME HIGH OF BLACK OFFICERS ON THE FORCE AT THAT TIME. BLACKS REPRESENTED OVER 20% OF THE DEPARTMENT WHILE THE TOTAL BLACK POPULATION WAS LESS THAN 30% OF THE CITY. BLACK OFFICERS WERE THE BUFFER BETWEEN COMMAND AND THE DELIVERY OF REAL POLICE SERVICES BECAUSE THEY WERE ABLE TO OPERATE IN PREDOMINATELY BLACK POPULATED DISTRICTS, FROM A BLACK PER-

SPECTIVE.

THE PERIOD WAS PRECEDED BY THE 1964 RIOT ON COLUMBIA AVENUE AND IT SEEMS TO HAVE BEEN THE IMPETUS FOR THE MASSIVE INFLUX OF BLACKS INTO THE RANKS OF THE POLICE DEPARTMENT, AS WELL AS UPWARD MOBILITY FOR BLACKS. IT IS OUR CONTENTION THAT THE DECISION TO HIRE MORE BLACKS MADE AFTER THE 1964 RIOTS STAVED OFF THE BLOODY CONFRONTATION WHICH WERE BEING PERPETRATED IN OTHER MAJOR CITIES; WHICH AT THAT TIME WERE BEING LAUDED FOR THE SENSITIVITY AT THE TOP. IT IS KEY TO NOTE THAT DURING THIS PERIOD OF GAIN THERE WAS A SIGNIFICANT SETBACK (Refer to Anatomy of a Racist Conspiracy see Attachment #1) WITH THE APPOINTMENT OF FRANK L. RIZZO AS POLICE COMMISSIONER AND HIS SUBSEQUENT RISE TO MAYOR. ONE OF HIS FIRST MOVES, THAT ACELERATED THE SYSTEMATIC DISCRIMINATION AGAINST BLACKS, WAS TO TRANSFER CONTROL OF THE CIVILIAN PERSONNEL DEPARTMENT SELECTION PROCESS FOR CANDIDATES TO THE POLICE DEPARTMENT. PRIOR TO COMMISSIONER RIZZO, THE SELECTION OF POLICE CANDIDATES BY THE PERSONNEL DEPARTMENT RESULTED IN BLACKS BEING SELECTED AT A RATE NEARLY PROPORTIONAL TO THEIR POPULATION IN THE CITY, SUCH THAT BY 1967 BLACKS REFLECTED 27% OF POLICE RECRUITS. AFTER RIZZO TOOK OVER, THE FIGURE PLUMMETTED TO A LOW OF 7% IN A FOUR YEAR PERIOD, THEREBY ESTABLISHING THE BASIS FOR A DISCRIMINATION SUIT TO BE INSTITUTED (see excerpt #1 Attachment #2).

AS A RESULT OF THE RIZZO REIGN, WE ARE NOW FACED WITH THE DISTINCT POSSIBILITY OF AN ALL WHITE POLICE DEPARTMENT IN APPROXIMATELY 10-15 YEARS. WHAT IS VERY SIGNIFICANT IS THAT DURING THE PERIOD MENTIONED, THE BLACK POPULATION IN THE CITY ROSE AND IS NOW ESTIMATED TO BE AT LEAST 45%, YET BLACK REPRESENTATION IS LOWER IN TOTAL NUMBER OF BLACKS AND PERCENTAGE IN A POLICE DEPARTMENT THAT HAS RISEN IN TOTAL COMPLIMENT FROM 6900 TO NEARLY 7500, BLACKS FROM OVER 1400 DOWN TO ABOUT 1200. IT IS ALSO VERY SIGNIFICANT THAT BLACK OFFICERS HAVE NOT BEEN DEFENDANTS IN LEGAL ACTIONS CHARGING BRUTALITY AND IMPROPER SHOOTINGS CLOSE TO THEIR PERCENTAGES IN THE DEPARTMENT AND THEY WORK PERDOMINATELY IN THE AREAS WHERE THOSE LEGAL ACTIONS EMINATE.

THE LEGAL ACTION ARISING FROM THE DISCRIMINATORY IMPACT OF CITY HIRING AND PROMOTIONAL WAS BASICALLY POLITICALLY INSTIGATED. THIS IS NOT TO SAY THAT THERE WAS NOT SOLID GROUND WORK FOR SUCH A LEGAL UNDERTAKING BUT THAT FOR SUCH ACTION TO BE SUCCESSFUL, THE AFFECTED CLASS MUST BE PREPARED AND READY FOR SUCH AN UNDERTAKING. IT WOULD BE SAFE TO

SAY THAT OF THE SUCCESSFUL SUITS LITIGATED, THE LARGE MAJORITY WERE INSTIGATED BY THE CLASS SEEKING GOVERNMENTAL AID AND NOT GOVERNMENTAL AGENCY SOLICITING AN AGGRIEVED CLASS, NO MATTER HOW VALID THE DISCRIMINATORY SITUATION MAY HAVE BEEN. THE SHAPP AND RIZZO ADMINISTRATIONS WERE NOT IN ACCORD AND THEY WERE WARRING AND AS THE OLD INDIAN SAYING GOES, "WHEN THE ELEPHANTS BATTLE, THE GRASS GETS HURT." BLACK OFFICERS WERE NOT SUFFICIENTLY AWARE OF THE GRAVITY OF THE SITUATION AND AURA OF THE 1965 CIVIL RIGHTS MOVEMENT HAD NOT WORN OFF. IT IS CLEAR THAT THE COURT WAS AWARE OF THE PROBLEMS IN PHILADELPHIA AND ACKNOWLEDGED THE RIGHTFULNESS OF THE MORAL ARGUMENT BUT FEELS IMPOTENT TO GET INVOLVED IN ELIMINATING LOCAL GOVERNMENT PEROGATIVE AND ADMINSTRATIVE INCOMPETENCE. (see excerpt #1 Attachment #2)

THE POLICE DEPARTMENT IS THE CRIMINAL JUSTICE INSTITUTION WHICH USUALLY HAS FIRST CONTACT WITH THE CITIZENS. WE PATROL THE COMMUNITY AND CONDUCT INVESTIGATIONS WHEN CRIMES ARE COMMITTED.

WE RECONIZED THE PUBLIC'S FEAR OF CRIME AND DEMANDS FOR POLICE OFFICERS TO BE SENSITIVE TO THE NEEDS OF THE COMMUNITY IN WHICH THEY SERVE. WE ARE CONCERNED ABOUT THEIR EXCLAIMING FOR A RESPONSE FROM OUR LEADERS AT ALL LEVELS OF GOVERNMENT. BUT WE CAN NEVER HOPE TO ACHIEVE A JUST AND LASTING SOLUTION TO CRIME AND/OR A SENSITIVE POLICE DEPARTMENT WITHOUT FIRST ADDRESSING THE REALITIES THAT IMPACT ON THEM.

THERE IS AN UNDENIABLE CRITICAL SHORTAGE OF BLACK SUPERVISORS, INCLUDING DETECTIVES, BECAUSE OF THIS CONDITION THERE IS ABRASIVE AND NONCOHESIVE INTERACTION BETWEEN BLACK AND WHITE POLICE OFFICERS, AND BETWEEN THE POLICE AND BLACK COMMUNITY. FURTHERMORE, THE FAILURE TO INCORPORATE BLACKS IN ALL CAPACITIES OF POLICEWORK HAS CREATED UNREST AMONG BLACK OFFICERS AND MISTRUST OF THE POLICE DEPARTMENT AND THE CITY ADMINISTRATION BY BLACK PHILADELPHIANS.

THE GUARDIAN CIVIC LEAGUE HAS CONTINUED TO ARTICULATE THESE CONDITIONS AND WE HAVE ILLUSTRATED (see attachment #3) THE SEVERE AND CRITICAL SHORTAGE OF BLACK SUPERVISORS IN THE PHILADELPHIA POLICE DEPARTMENT. WE HAVE ALSO REFLECTED THE FRIGHTENING TREND OF PROMOTIONS AND RETIREMENTS (see attachment #3) THAT WILL RESULT IN FURTHER ALIENATION OF THE BLACK COMMUNITY FROM THE POLICE DEPARTMENT. SUCH ALIENATION WILL RESULT IN INCREASED VIOLENCE, RESENTMENT AND MISTRUST ON BOTH SIDES OF THE POLICE/COMMUNITY RELATIONSHIP. THE TREND THAT IS ILLUSTRATED IN ATTACHMENT #3, CLEARLY INDICATES TO BLACK POLICE OFFICERS THAT UPWARD MOBILITY WITHIN THE PHILADELPHIA POLICE DEPARTMENT IS RESTRICTED, AND DOES NOT INCLUDE THEM. OF COURSE, THE BLACK POPULATION OF PHILADELPHIA IS EVEN MORE CONCERNED. BECAUSE OF THE EXISTING SITUATION, THERE IS A LACK OF VIABLE ROLE MODELS EXPOSED TO BLACK CHILDREN. YOUNG BLACK PHILADELPHIANS PERCEIVE THAT THE ONLY CONTACT THEY CAN POSSIBLY HAVE WITH THE CRIMINAL JUSTICE SYSTEM WILL BE IN A NEGATIVE VAIN AND NOT AS PROFESSIONALS IN THAT SYSTEM.

IN THE 1960'S DURING THE HEIGHT OF URBAN UNREST IN OUR COUNTRY, THE KERNER COMMISSION REPORTED THAT ONE OF THE MAJOR REASONS FOR RACIAL UPHEAVALS IN OUR METROPOLITAN AREAS WAS THE TENSION CREATED WHEN COMMUNITIES ARE POLICED BY POLICE OFFICERS THAT DO NOT UNDERSTAND THE CUSTOMS AND SUBCULTURE OF THAT COMMUNITY. THE COMMISSION WENT ON TO RECOMMEND THAT: "POLICE DEPARTMENTS IN OUR URBAN AREAS MUST REFLECT THE RACIAL AND ETHNIC MAKEUP OF THE COMMUNITY SERVED." DURING A RECENT PERIOD OF RACIAL UNREST IN NORTH CENTRAL PHILADELPHIA, MANY RESIDENTS OF NORTH PHILADELPHIA EXPRESSED THE NEED FOR MORE BLACK POLICE OFFICERS AND SUPERVISORS IN THEIR COMMUNITY; MANY WERE SHOCKED AND ANGRY ABOUT THERE NOT BEING ONE BLACK ABOVE SERGEANT IN THE NORTH CENTRAL POLICE DIVISION (22nd & 23rd Police Districts), WHERE 90% OF THE RESIDENTS ARE BLACK.

THERE CAN BE NO QUESTION OF A TREMENDOUS NEED FOR A MASSIVE INFLUX OF BLACK POLICE OFFICERS INTO THE SUPERVISORY POSITIONS OF THE PHILADELPHIA POLICE DEPARTMENT. EXAMINING THE STATISTICAL DATA (attachment #4) PROVIDED WITH THIS PAPER, ONE CAN CLEARLY SEE THAT WITHOUT AN IMMEDIATE AND INTENSIFIED EFFORT TO INCREASE THE AMOUNT OF BLACK SUPERVISORS IN THE POLICE DEPARTMENT, THE SITUATION WILL WORSEN TO THE POINT WHERE BLACK CITIZENS OF PHILADELPHIA MAY RESORT TO THE STRATEGY OF THE 1960'S AND, "TAKE TO THE STREETS." UNFORTUNATELY, SUBSTANTIAL GAINS FOR BLACKS HAVE BEEN MADE ONLY AFTER MUCH BLOODSHED, VIOLENCE, LOSS OF LIFE, PROPERTY AND TO, TOO MANY BLACK PHILADELPHIANS THAT IS THE ONLY ROAD TO TRAVEL FOR CHANGE.

THE GUARDIAN CIVIC LEAGUE DOES NOT SUBSCRIBE TO VIOLENCE, WE RECONIZE THAT DISORDERS IN URBAN AREAS ARE ON THE MOST PART RESPONSES TO HIGH UNEMPLOYMENT, HIRING CONDITIONS, UNJUST AND ARBITRARY TREATMENT BY LOCAL GOVERNMENTAL AGENCIES. VIOLENT DISORDERS ARE USUALLY CATALYZED BY AN INCIDENT WITHIN THE CRIMINIAL JUSTICE SYSTEM. THAT MAY RANGE FROM A PERCEPTION OF POLICE MISCONDUCT THRU DEADLY FORCE, OR THE LACK OF PROPER

PROSECUTION THROUGH THE COURT FINDING OF NOT GUILTY TO ONE CHARGE WITH A PERCEIVED RACIAL INCIDENT. WE THEREFORE URGE THIS PRESTIGIOUS COMMITTEE TO HELP IMPLEMENT THE MACHINERY WHICH MUST BE SET IN MOTION TO INSURE THAT LOCAL GOVERNMENT IN MAJOR URBAN CENTERS MAKE THEIR POLICE DEPARTMENTS UNDERSTAND THAT ITS INTEREST IN RACE RELATIONS MUST EXTEND BEYOND MERELY "CONTROLLING DISORDERS," THAT REAL AND CONCRETE EFFORTS MUST BE MADE THAT WILL LEAD TO A BETTER UNDERSTANDING OF THE VIEWS AND CULTURE OF MINORITY RESIDENTS. THIS KNOWLEDGE MUST BE REFLECTED IN THE POLICE DEPARTMENT'S POLICYMAKING AND PLANNING PROCEDURES, WHICH MUST INCLUDE ADEQUATE REPRESENTATION OF MINORITIES IN THESE POSITIONS TO ENHANCE AND IMPROVE THE QUALITY OF LAW ENFORCEMENT IN THOSE RESPECTIVE URBAN CENTERS.

WHILE VIOLENCE CANNOT BE THE FINAL ANSWER TO THE NUMEROUS GRIEVANCES IN OUR MAJOR URBAN CENTERS ACROSS THIS GREAT NATION. WE BEING A PART OF THIS UNFAIR CRIMINAL JUSTICE SYSTEM MUST ASK WHAT! BESIDES A CIVIL DISORDER DOES IT TAKE FOR ANY OR ALL LEVELS OF GOVERNMENT TO SENSE AND REACT TO THESE MANY PATTERNS OF DISCRIMINATION IN OUR CRIMINAL JUSTICE SYSTEM GENERALLY AND POLICE DEPARTMENT'S IN PARTICULAR.

THE GUARDIAN CIVIC LEAGUE ENCOURAGES YOU IN YOUR WISDOM TO USE ALL THE RESOURCES NECESSARY TO MAKE PHILADELPHIA A CONSTRUCTIVE EXAMPLE FOR OTHER CITIES ACROSS THIS NATION BY INCREASING MINORITY REPRESENTATION AT ALL LEVELS IN OUR POLICE DEPARTMENT. YOU MAY HELP SOLVE THE NATION'S PROBLEM OF WHY IT STILL SEEMS SO DIFFICULT FOR THE CRIMINAL JUSTICE SYSTEM TO PROVIDE EQUAL EMPLOYMENT, SERVICE, AND ELEMENTARY JUSTICE TO MINORITY PEOPLE.

WE HAVE ADDRESSED THIS PROBLEM WITH OUR MAYOR WHO IS ULTIMATELY RESPONSIBLE FOR ALLOWING THIS SITUATION TO CONTINUE TO DATE, AND HAVE SUGGESTED SEVERAL SOLUTIONS.

ONE BEING THAT THE CITY ADMINSTRATION RESORT TO USE A SECTION OF OUR CIVIL SERVICE REGULATIONS WHICH ALLOWS THE POLICE DEPARTMENT TO REQUEST CERTIFICATION OF INDIVIDUALS HAVING PARTICULAR SKILLS OR EXPERIENCES THAT WOULD ADD TO THE PERFORMANCE OF THE JOB THEY WILL ENTER, AHEAD OF OTHER ELIGIBLES ON THE LIST THAT DO NOT HAVE THOSE NEEDED QUALIFICATIONS. THE LEAGUE FEELS THAT THERE IS A DEFINITE NEED FOR POLICE SUPERVISORS WITH THE EXPERIENCE AND SKILLS THAT ONE OBTAINS BY BEING BLACK IN AMERICA AND THAT THE APPOINTMENT OF THESE PEOPLE TO VARIOUS SUPERVISORY POSITIONS IN THE PHILADELPHIA POLICE DEPARTMENT WITH THESE QUALIFICATIONS, WILL BE OF

TREMENDOUS BENEFIT TO ALL PHILADELPHIANS.

WE HAVE ALSO PRESENTED TO OUR MAYOR A TWENTY-THREE PAGE PAPER PREPARED BY OUR ATTORNEY THAT DETAILS A DESCRIPTION OF NEED, A PROPOSED PLAN AND THE LEGAL AUTHORITY TO IMPLEMENT IT. THR PLAN WOULD END THE EXCLUSION OF A DISPROPORTIONATE NUMBER OF BLACKS AND ENABLE PHILADELPHIA TO MEET IS DUTY TO ELIMINATE OF PAST DISCRIMINATION AND IT IS CLEARLY CONSTITUTION. WE HAVE ATTACHED A COPY OF THIS POSITION PAPER (SEE ATTACHMENT #5) FOR YOUR COMMITTEE'S INFORMATION, IN THAT MAY BE ADMINISTRATORS IN OTHER URBAN CENTERS THAT HAVE THE COURAGE TO REMEDY PAST DISCRIMINATION AND USE IT.

WE CANNOT ALLOW THIS CONSTANT REGRESSION IN PROFESSIONAL MOBILITY TO DECIMATE THAT RANKS OF BLACK POLICE OFFICERS IN THIS CITY OR ANY OTHER MAJOR URBAN AREA ACROSS OUR NATION.

SOMEWHERE I READ PEOPLE WERE CHARACTERIZED INTO THREE TYPES 1) PEOPLE WHO MAKE THINGS HAPPEN 2) PEOPLE WHO SEE THINGS HAPPEN 3) AND PEOPLE WHO DON'T KNOW WHAT'S HAPPENING. IN THE AREA THAT WE ADDRESS YOU ABOUT TODAY, OUR ADMINISTRATION ARE THE #2 TYPE OF PEOPLE WHO SEE THINGS HAPPEN AND GIVE APPROPIATE LIP SERVICE. HOWEVER WE BELIEVE THOSE OF YOU ARE THERE TODAY FROM OUR NATION'S CAPITOL, TAKING THE TIME TO LISTEN AND BE CONCERNED ABOUT THE WELFARE OF OTHER'S, ARE THE 1ST KIND OF PEOPLE WHO SOMEHOW OR ANOTHER WILL FIND A WAY TO MAKE THINGS HAPPEN BECAUSE YOU CARE ABOUT OUR URBAN CENTERS.

IN CLOSING I WOULD LIKE TO PARAPHRASE THE WORDS OF THE DREAMER, REV. MARTIN LUTHER KING. HE SAID I HAVE A DREAM THAT ONE DAY FROM THE RED CLAY HILLS OF GEORGIA AND THROUGHOUT AMERICA LITTLE BOYS AND GIRLS, BOTH BLACK AND WHITE SHALL WALK HAND IN HAND JUDGED NOT BY THE COLOR OF THEIR SKIN BUT FOR THE CONTENT OF THEIR CHARACTER. IT WAS A NOBLE DREAM THEN, IT IS A NOBLE DREAM NOW, BUT UNTIL THE DREAM IS REALITY

THERE MUST BE MECHANISMS TO ESTABLISH PROPORTIONAL REPRESENTATION IN ALL GOVERNMENTAL ARMS LOCAL MUNICIPAL STATE AND FEDERAL TO INSURE FAIRNESS IN OUR ADVERSARY NATION THE UNITED STATES OF AMERICA.

PRESENTED BY,

Harold James

HAROLD JAMES,
PRESIDENT

HJ:rj

ENCLOSURE: 5 ATTACHMENTS

BEST COPY AVAILABLE

# The anatomy of a racist conspiracy

By RON OLIVER,

*Second Vice President, Guardian Civic League*

In the heat of a tight political race for the mayor's office, Mayor James H. Tate initiated a calculated political decision to continue the reign of Frank L. Rizzo as Police Commissioner. It was a concession to the burgeoning power of the Italo minority and the perceived fears to the white communities of the city, that only Big Frank could keep them safe from the relentless horde of the Black plague of crime sweeping the city. After all, hadn't it been Frank Rizzo who took the credit for stemming the tide of the 1964 riot? Frank Rizzo, the omnipotent power-talking tough, straight from the latest John Wayne movie. Frank would show those hoods a tough time; for those who were racist in their inclinations, it translated into Frank would stop the NIGGERS.

The old infighting of the Irish and Italian communities had ceased because now there was a new enemy on the horizon. Blacks were entering the mainstream; the uninformed and those who were programmed into ignorance by the system were fearful that the favored status they had enjoyed was now in jeopardy. It was a lot easier to swallow giving some of the pie to the newly found Italian ally; after all, they were white. The Italian and Irish communities had battled for years, but there had been intermarrying which spawned family ties and a likeness in religion binding the differences of the two. The influx of Black males occupying positions formerly reserved for them was a clear and present threat to their positions in society.

THE SCENE WAS SET for a close race for Mayor Tate vs. Specter and the key to victory would be the projected strength of Frank L. Rizzo. Arlen Specter waivered on keeping Rizzo as the head of the Philadelphia Police Department, a department which had been establishing a fine record of recruiting minority members into its ranks despite his appointment. Tate was campaigning on giving Rizzo a free hand to deal with the problems besetting the city, a free hand to deal forcefully with the radical groups who were poised to take over the city. The identity of the radical groups is very vague, but when people are fearful, it doesn't take much to stampede them in the wrong direction. The same tactics have been used by ruthless dictators, Hitler, Mussolini and a host of other tyrants; fearful people are flattered, given an accessible scapegoat; they went for it hook, line and sinker. The incumbent mayor had done his political homework. The moneymobile rolled through the Black community, giving temporary jobs to the needy (it would seem that the eagerness of Black folks to work would have toppled the myth of laziness, but it didn't); the Italian community would maintain its Commissioner of Police whose personal charisma made the business community feel safe. The victory materialized, but the monumental ramifications of the victory would not come to fruition until later down the road as a result of this unholy alliance.

Meanwhile, Frank Rizzo and Co. were laying the groundwork for an all-white police department. It was done by juggling the requirements and standards for applicants, a tactic frequently used to stop Black voters from becoming registered. Blacks were adjudged as unfit for having children out of wedlock, bad debts incurred by their parents, traffic tickets and minor errors on their application forms. Whites with the same general background were accepted, especially if they were of Italian descent or personal deals had been in effect with the soon-to-be mayor. It had been said if one could get a private audience with the General (Rizzo), wonders could be worked; it required that one genuflect and kissed whatever it was one must kiss to get favors. Certain acceptable Blacks could get these audiences and they sang the praises of the Godfather, but the Godfather believed that one hand washes the other and there would be a terrible loss of personhood to be suffered when the favors were called in.

THE 10 YEARS PRIOR TO THE reign of Frank Rizzo, Blacks were entering the Philadelphia Police Department at a three to one ratio or approximately 31 percent. During his tenure as commissioner and mayor, the rate dropped to approximately [illegible] to one or somewhere in the area of 14.7 percent.

The figures on Black police [illegible] in [illegible] were based on totals prior to the [illegible] [illegible] Currently [illegible] are 1273 sworn Black police personnel in the Philadelphia Police Department. The average age of Blacks is [illegible] and [illegible] [illegible] — see breakdown below.

| | | |
|---|---|---|
| Total Police (Sworn) Personnel | 7300 | |
| Total Blacks (Sworn) Personnel | 1273 | 17.4 |
| Blacks 40 Years or Older | 600 | 47.1 |
| Blacks 35 Years or Older | 340 | 26.7 |
| Blacks 30 Years or Older | 133 | 10.4 |
| Blacks 35 Years or Older | [illegible] | 75.9 |

EXCERPT #1 ATTACHMENT #2

ON JULY 7, 1972, AFTER 5-1/2 DAYS OF HEARINGS ON PLAINTIFFS APPLICATION FOR PRELIMINARY RELIEF, I CONCLUDED THAT PLAINTIFFS HAD CLEARLY ESTABLISHED THAT THE EXISTING ENTRANCE AND PROMOTIONAL EXAMINIATIONS DID DISCRIMINATE ON THE NASIS OF RACE. SINCE NO ATTEMPT HAD THERE BEEN MADE TO "VALIDATE" THESE TESTS AS JOB-RELATED. I ENTERED AN ORDER ENJOINING THE DEFENDANTS FROM HIRING OR PROMOTING ON BASIS OF THESE EXAMINATIONS, EXCEPT IN THE SAME RATIO (2-TO-1) AS THE RACIAL DISTRIBUTION OF THE APPLICANT POOL, UNTIL SUCH TIME AS THE EXISTING TESTS SHOULD BE VALIDATED OR NEW TESTS DEVELOPED.

ON APPEAL FROM THIS RULING, THERE WAS LITTLE OR NO DISPUTE ABOUT THE DISCRIMINATORY IMPACT OF VALIDATION ON THE EXISTING TEST: THE LITIGATED ISSUE WAS THE SCOPE OF INTERIM RELIEF TO AFFORDED. WITH RESPECT TO HIRINGS, THIS COURT"S ORDER WAS EVENTUALLY AFFIRMED BY AN EVENLY DIVIDED COURT EN BLANC. WITH REGARD TO PROMOTIONS, THE ORDER WAS VACATED. COMMONWEALTH OF PA. V. O'NEILL, $&# F. 2d. 1029 (3d. CIR. 1973.) ISHOULD PERHAPS BE MENTIONED THAT THROUGHOUT THESE APPELLATE PROCEDINGS IN THIS COURT, IT WAS MADE CLEAR THAT THE DEFENDANTS, WHOSE TESTING PROCEDURES HAD BEEN UNDER CHALLENGE FOR NEARLY TWO YEARS, WERE CONFIDENT THAT, BY JANUARY OF 1973, THEY WOULD BE ABLE TO EITHER VINDICATE THE EXISTING EXAMINATIONS, OR TO SUPPLY NEW EXAMINATIONS. THE DECISIONS OF THE COURT OF APPEALS WAS RENDERED ON FEBRUARY 8, 1973.

ATTACHMENT #3

## POLICE DEPARTMENT'S
## SUPERVISORS AND AGE - STATISTICAL DATA

| | |
|---|---|
| Total Amount of Sworn Police Officers | 7,486 |
| Total Amount of Black Sworn Police Officers | 1,276 |
| The Percentage of Sworn Police Officers that are Black | 17.4% |
| Total Amount of Black Police Officers that are 36 years of age or older | 967<br>(75.9%) |
| Total Amount of Black Police Officers that are 40 years of age or older | 600<br>(47.1%) |
| Total Amount of Black Police Officers that are 45 years of age or older | 340<br>(26.7%) |
| Total Amount of Black Police Officers that are 51 years of age or older | 133<br>(10.4%) |

With the above statistics the Guardian Civic League projects a loss of 600 black police officers within the next 5 years and 976 within the next 10 years. Within the past 10 years the City has hired 466 black police officers. Thus, the League projects a net loss of 501 black police officers within the next 10 years.

## POLICE DEPARTMENT PERSONNEL NOVEMBER, 1980

| GROUP | WHITE | BLACK | OTHER | TOTAL |
|---|---|---|---|---|
| Police Officers | 4912 | 1109 | 42 | 6063 |
| Corporals | 142 | 25 | 1 | 168 |
| Detectives | 414 | 66 | 2 | 482 |
| Sergeants | 349 | 50 | 2 | 401 |
| Lieutenants | 227 | 18 | 0 | 245 |
| Captains | 70 | 3 | 1 | 74 |
| Staff Inspectors | 18 | 1 | 0 | 19 |
| Inspectors | 21 | 1 | 1 | 23 |
| Chief Inspectors | 9 | 0 | 0 | 9 |
| TOTAL | 6162 | 1273 | 49 | 7484 |

[illegible]

*The Guardian Civic League, Inc*
OF PHILADELPHIA
1516 W. GIRARD AVENUE
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Member: NATIONAL BLACK POLICE ASSOCIATION
Lifetime Member of the N.A.A.C.P.

# The police force is being drained of blacks

SUPERVISORS IN THE PHILADELPHIA POLICE DEPT. AFTER DECEMBER, 1980 PROMOTIONS*

| RANK | TOTAL | BLACKS |
|---|---|---|
| Chief Inspectors | 9 | 0 |
| Inspectors | 24 + 7 = 31 | 1 |
| S/Inspectors | 20 + 9 = 29 | 1 |
| Captains | 78 + 18 = 96 | 3 |
| Lieutenants | 251 + 35 = 286 | 17 + 3 = 20 |
| Sergeants | 409 + 92 = 501 | 50 + 6 = 56 - 3 = 53 |
| Corporals | 168 + 20 = 188 | 25 + 3 = 28 |
| Detectives | 482 +119 = 601 | 66 + 5 = 71 |
| | 1741 | 177 |

*(+ = number promoted in Dec. 1980)

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Volume 3, No. 3, May 1981

## GUARDIAN CIVIC LEAGUE ADDRESS POLICE DISCRIMINATION

# BLACK COPS DEMAND HIRINGS

| Green's Administration | PROMOTED | | TOTALS | |
|---|---|---|---|---|
| | total | Black | total | Black |
| Chief Inspector | 1 | 0 | 9 | 0 |
| Inspector | 8 | 0 | 32 | 1 |
| Staff Inspector | 11 | 0 | 31 | 1 |
| Captain | 23 | 0 | 101 | 3 |
| Lieutenant | 40 | 5 | 301 | 22 |
| Sergeant | 119 | 11 | 528 | 55 |
| Corporal | 20 | 3 | 168 | 28 |
| Detective | 148 | 9 | 630 | 75 |
| | 370 | 28 | 1820 | 185 |

ATTACHMENT #5

## AFFIRMATIVE ACTION PLAN POSITION PAPER

## THE GUARDIAN CIVIC LEAGUE, INC.

### I. SUMMARY

There is severe underrepresentation of blacks at all levels of the Philadelphia Police Department. This underrepresentation is the result of the use of discriminatory criteria for hiring and promotions over the last fifteen years. The existing hiring and promotional selection systems have an adverse impact on black candidates for hire and promotion and perpetuate the effects of past discrimination. The City of Philadelphia and the Philadelphia Police Department have a compelling interest in eliminating the effects of discrimination from hiring and promotion decisions in the Philadelphia Police Department and improving the quality of law enforcement in Philadelphia. The only effective way to eliminate the effects of discrimination is to adopt an affirmative action plan which explicitly classifies candidates for hiring and promotion according to race. Such an affirmative action plan is clearly legal under both Title VII of the Civil Rights Act of 1964 and the Fourteenth Amendment to the United States Constitution.

## II. DESCRIPTION OF NEED

### A. The employment decisions in the Philadelphia Police Department have had a significant adverse impact on black candidates for hire and promotion from at least 1967 to the present.

From 1967 to the present, the percentage of black non-civilian employees of the Philadelphia Police Department has declined from nearly 21% to 17%. In a department of approximately 7500, this represents an absolute decline of approximately 300 in the number of black employees. During the same time period, the black population of Philadelphia has increased from less than 33 1/3% to more than 40% of the population of the city. The decline was most severe from 1968 through 1971. For the years 1968, 1969 and 1970, the percentages of new police officers who were black were 15.3%, 11.2% and 7.7% respectively. Commonwealth v. O'Neill, 348 F. Supp. 1084, 1087 (E.D. Pa. 1972) aff'd in rel. part 473 F. 2d 1029 (3rd Cir. 1973). This sharp reduction in the hiring rate of black police officers produced a police department which was 18% black in 1971. Commonwealth v. O'Neill, 348 F. Supp. at 1087. Since 1971, hiring in the Philadelphia Police Department has been subject to careful judicial scrutiny including an explicit racial quota. See, e.g. Commonwealth v. O'Neill, 348 F. Supp. 1084. During that time more than 35% of the applicants for positions as police officers were black. A new written entrance examination was developed by the Educational Testing Service and administered to prospective police officers.* Nevertheless, the percentage of black non-civilian employees in the police department has declined from 18% to 17%. Thus, despite the development of a new written entrance examination, close judicial scrutiny, and a applicant flow in excess of 35%, fewer than 18% of those selected for the police department have been black.

The system for determining who will be promoted in the Philadelphia Police Department has also had a significant adverse impact on black candidates. In 1972, the racial composition of the ranks above police officer was:

| | | |
|---|---|---|
| Corporal | 15.0% | black |
| Detective | 14.8% | " |
| Sergeant | 11.1% | " |
| Lieutenant | 5.7% | " |
| Captain | 5.4% | " |
| Staff Inspector | 5.3% | " |
| Inspector | 4.0% | " |
| Chief Inspector | 0.0% | " |

Commonwealth v. O'Neill, 348 F. Supp. at 1101.

These figures have remained essentially unchanged. Commonwealth v. O'Neill, 365 F. Supp. 451, 454 (E.D. Pa. 1979). This means that the percentage of blacks in supervisory positions is significantly below the percentage of black police officers and far below the percentage of blacks in the population. This disparity is the result of the cumulative effects of a series of written examinations each of which had a statistically significant adverse impact on blacks. This problem is exacerbated by the fact that there was a period of time in the late sixties when the selection rate of black police officers was reduced to substantially below the already low levels because of the discriminatory use of the background investigation.

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* Although a concurrent validity study was performed when this examination was developed which generated relatively low correlation coefficients, no effort has been made to analyze the performance of police officers selected by this examination. Nor has there been a judicial determination of the validity of this examination.

The City has been aware that the hiring and promotion procedures used by the Police Department had an adverse impact on black candidates for hire and promotion since 1970. See, Vernon R. Taylor, *Review of Personnel Selection Methods of the City of Philadelphia* (1970); *Confidential Report of the Philadelphia Commission on Human Relations* (1970). These reports identified the written examinations as one part of the selection system which clearly had a significant adverse impact on blacks. In 1970, and from 1970 to the present, the Police Department has had one of the worst records in the city for hiring and promoting blacks. In an intensely litigated proceeding, the federal courts have confirmed that the hiring procedures in the Philadelphia Police Department violated Title VII of the Civil Rights Act of 1964 and the United States Constitution. *Commonwealth v. O'Neill*, 348 F. Supp. 1084 (E.D. Pa. 1972), aff'd in relevant part 473 F. 2d 1029 (3rd Cir. 1973).

The City developed "new" promotional examinations for the ranks of corporal, sergeant, and detective which have been used since 1975. Whites passed these examinations at a statistically significant higher rate than blacks. Although Judge Fullam held that these examinations barely satsified the requirements of law, he also found that it was impossible to say with any degree of confidence that the best candidates for propotion were being selected using the examinations. Commonwealth v. O'Neill, 465 F. Supp. 451, 463, 464 (E.D. Pa. 1979). There is substantial public doubt about the integrity of these examinations.

Although the City of Philadelphia has recognized the severe underrepresentation of blacks in the Police Department and the inadequacy of the written hiring and promotional examinations for more than ten years, the City has been unable to develop selection systems which do not have an adverse impact on black candidates for hiring and promotion. Rather, in spite of ten years of intense judicial scrutiny, black representation in the Police Department has declined since 1970. Thus, it is palpable that the revision in the selection procedures for hiring and promotion has failed to produce a system which does not have an adverse impact on black candidates.

### B. Increasing the percentage of police officers and supervisors who are black would significantly improve the quality of law enforcement in Philadelphia.

The Philadelphia Police Department is the largest operating department in the City and the most visible, personal and important sourse of government-citizen contact. See, National Commission on the Causes and Prevention of Violence, Final Report: To Establish Justice, To Insure Domestic Tranquility (1969) at 145;

Report of the National Advisory Commission on Civil Disorders (New York Times Edition 1968) at 300. During the last ten to fifteen years, the relationship between the black community and the Philadelphia Police Department has been notoriously bad. Bringing the people together and improving relationships between the City and all segments of the community is an often expressed goal of the Green administration. There has long been a substantial body of respected scholarly opinion that a police force which is representative of the racial and ethnic composition of the community it serves will be a more effective and efficient law enforcement agency. See, National Commission on Law Observance and Enforcement, Report on the Causes of Crime 242 (Vol. 1, 1931); President's Commission on Law Enforcement and the administration of Justice, Task Force Report: The Police at 167 (1967).

## III. PROPOSED PLAN

An affirmative action plan for the Philadelphia Police Department should contain provisions for intensive recruiting of black applicants and systematic training sessions to prepare these applicants for the entrance examination and related procedures. (e.g. an honest explanation of the nature of the background investigation process and the consequences of specific answers) The Affirmative Action Plan should also require that the Police Department, Personnel Department, and any other relevant city agencies submit written reports to the Affirmative Action

Director every ninety days to document their progress in implementing the Affirmative Action Plan. These proposals should be implemented without regard to the racial impact of the hiring and promotion systems.

If the most recently administered written entrance examination has a significant adverse impact on black applicants to the police department, the City should adopt a selective certification procedure so that as long as blacks are 50% of the applicant pool one of every two police officers hired will be black until 40% of the police officers are black or the selection procedure stops having an adverse impact. With regard to promotions to the ranks of corporal, detective, and sergeant, the City should adopt a selective certification procedure so that one of every two candidates promoted will be black until the racial composition of each rank is representative of the racial composition of the applicant pool. With regard to promotions to the rank of lieutenant and above, the City should adopt a selective certification procedure so that one of every three candidates promoted will be black until the racial composition of each rank is representative of the racial composition of the applicant pool.

The Affirmative Action Plan should clearly and explicitly state that any candidate who passes the examination(s) for hiring or promotion is qualified for the job and that the scores of the candidates on the examinations are not reliable predictors of relative qualifications for hire or promotion. The Affirmative

Action Plan should also state that no unqualified candidates will be hired or promoted and that no eligibility list will exist for more than two years.

When the Affirmative Action Plan is adopted, it should be made effective as of July 1, 1980. Any promotions made to adjust for promotions made during 1980 should include retroactive competitive seniority. The time in grade eligibility requirement for promotions should be waived for all minority candidates appointed to the police department or promoted pursuant to the Affirmative Action Plan.

## IV. LEGAL AUTHORITY

The law is clear that the Constitution is not color blind. Explicit racial classifications are permitted to remedy discrimination after it has been judicially determined that the Fourteenth Amendment or Title VII of the Civil Rights Act of 1964 has been violated. Swann v. Charlotte-Mecklenberg Board of Education, 402 U.S. 1 (1971); See also, International Brotherhood of Teamsters v. United States, 431 U.S. 324 (1977); Franks v. Bowman Transportation Co., 424 U.S. 747 (1976); Allbemarle Paper Co. v. Moody, 422 U.S. 324 (1975). Moreover, the Constitution imposes upon the City the duty to take affirmative action to eliminate the continuing effects of past discrimination. Swann v. Charlotte-Mecklenberg Board of Education, supra at 15; Green v. County School Board, 391 U.S. 430, 437-438 (1968)

Three recent Supreme Court decisions discuss the circumstances in which a race concious affirmative action plan may be adopted absent a judicial finding of discrimination. Fullilove v. Klutznick, 100 S. Ct. 2758 (1980); United Steelworkers of America v. Weber, 443 U.S. 193 (1979); and Regents of the University of California v. Bakke, 438 U.S. 265 (1978).

Bakke was a constitutional challenge to the special admissions program at the Medical School of the University of California at Davis. The program reserved 16 of 100 places in the first year class of the medical school and applied less strigent standards to candidates for special admission. It never explicitly defined who was eligible for special admission consideration though the program was clearly designed to benefit minority applicants.

There was no majority opinion in Bakke. Four of the justices believed that Title VII of the Civil Rights Act of 1964 made any racial classification illegal. The other five justices disagreed. Justice Powell believed that in certain clearly defined circumstances racial classifications were permitted, but that the special admissions plan did not satisfy the test he articulated. The four remaining justices agreed with Justice Powell that a special admissions program with racial classifications must be subject to strict scrutiny, but believed that there was a sufficient compelling governmental interest to survive strict scrutiny. Justices Powell, Brennan, Marshall, White and Blackman agreed that the Title VI definition of discrimination was the same as the Fourteenth Amendment definition. Thus, if a proposed affirmative action plan satisfies the Powell test of constitutionality, Justices Brennan, Marshall, White and Blackman would agree that the plan was constitutional.

Justice Powell found that race conscious relief was permitted to remedy clearly established constitutional violations whether proven in Court, citing Bridgeport Guardians Inc. v. Civil Service Commission, 482 F. 2d 1333 (2nd Cir. 1973) and Carter v. Gallagher, 452 F. 2d 315, modified on rehearing en banc 452 F. 2d 327 (8th Cir. 1972), or established by an appropriate legislative or administrative body, citing Associated General Contractors of Massachusetts, Inc. v. Altschuler, 490 F. 2d 9 (1st Cir. 1973) cert. denied (116 U.S. 957 (1974), Contractors Association of Eastern Pennsylvania v. Secretary of Labor, 442 F. 2d 159 (3rd Cir.) cert. denied 404 U.S. 954 (1971). Justice Powell held that such a racial classification was subject to strict judicial scrutiny and that to survive strict scrutiny there must be a constitutionally permissable substantial purpose and the classification must be necessary to the accomplishment of the purpose.

Justice Powell rejected the correction of general societal discrimination as an adequate purpose. He also rejected the goal of insuring a specified percentage of minority physicians merely because of race. He also said that the purpose could not be to remedy past discrimination without judicial, legislative or administrative findings of a constitutional or statutory violation.[1]

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[1] It is significant that the Cal-Davis Medical School opened in 1968 and began formulating a special admissions program the very next year.

It was implicit that had appropriate findings of part discrimination been made, Justice Powell would have approved a racial classification as part of the remedy. Justice Powell said that improved health care services would be a compelling state interest under certain circumstances, but that the record below provided no factual support for this purpose. Finally, Justice Powell found that the medical school had a compelling interest in maintaining a heterogeneous student population. He concluded, however, that the Davis Medical School special admissions program did not satisfy the second prong of his test because the "total exclusion" of whites from competing for sixteen positions in the medical school class while minority applicants could compete for all 100 positions was a more restrictive remedy than was necessary for the accomplishment of the permitted purpose. In dicta, Justice Powell approved the Harvard College special admissions program which did include an explicit racial classification, but did not reserve a specific number of places for minority applicants.

Weber was a Title VII challenge to an affirmative plan which had been negotiated by the United Steelworkers of America and Kaiser Aluminum and Chemical Corporation as part of a collective bargaining agreement. The plan provided that one of every two current employees admitted to a craft training program would be black until the percentage of black skilled craft workers approximated the percentage of blacks in the relevant labor force in order to "eliminate conspicious racial imbalances". Weber supra at 198.[2] Although blacks comprised only 1.83% of the skilled workers at a plant which had a 15% black work force in an area which had an approximately 39% black work force and OFCCP had expressed its concern about the low percentage of black skilled crafts workers, the Supreme Court assumed that the affirmative action plan was entered into voluntarily. The Court also emphasized that this case presented the question of legality under Title VII, but did not present an equal protection question because there was no state action.

The Supreme Court defined the two issues presented by the case as:

1. Does Title VII prohibit voluntary race conscious affirmative action plans? and

2. Is the USWA-Kaiser plan permissable?

The Court answered the first question with a clear no and the second with an equally clear yes. The conclusion that Title VII permitted voluntary race conscious affirmative action plans was based upon a careful perusal of the legislative history and a thorough parsing of the text of Title VII. The conclusion was buttressed by reference to the obvious intention of Congress to encourage voluntary compliance with Title VII.

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[2] i.e. This is clearly a race conscious affirmative action plan involving promotions.

The Court held that the USWA-Kaiser plan was permissable because its purpose was to breakdown patterns of segregation and hierarchy and because the plan did not unnecessarily trammel the rights of whites. Thus, the Court applied a test which was analogous to the test adopted by Justice Powell in Bakke. (i.e. Is the plan adopted to achieve a constitutional [statutorily] permitted purpose and is it necessary? i.e. Is it the least restrictive plan that will accomplish the purpose?)

Justice Brennan for Justices Stewart, White, Marshall and Blackman explained that the purpose of the USWA-Kaiser plan was permissible because the plant had been traditionally segregated. The plan was not unduly restrictive for three reasons. It did not require the discharge of any white employees. It did not grant an absolute preference to blacks, but rather imposed a 1:1 promotion ratio. It was temporary. It would terminate automatically when the percentage of black skilled craft employees approached the percentage of blacks in the relevant labor force.

Fullilove was a constitutional challenge to the 10% minority set aside plan in the Public Works Act of 1977. The plan required that 10% of all subcontracts funded by the Public Works Act be reserved for qualified minority business enterprises (MBE) and established an administrative procedure to grant waivers if it was not possible to award 10% of the subcontracts to MBE's. The Supreme Court held that the 10% minority set aside was constitutional by a 6 to 3 margin.

Justices Marshall, Brennan and Blackman applied the strict scrutiny standard announced in Justice Marshall's plurality opinion in Bakke and held that the statute was constitutional. The key findings in support of this holding were that the purpose of the plan was to remedy the present effects of past discrimination and that only qualified MBE's could be awarded contracts.

Justice Powell also concluded that Bakke controlled and applied the constitutional standard announced in his Bakke opinion. Justice Powell explained that the difference between permissable remedial action and impermissable preference rested upon the existence of a Constitutional or statutory violation. He said that the Congressional findings in the Public Works Act and in other remedial legislation amounted to a finding of purposeful discrimination. Justice Powell also concluded that the 10% minority set aside was a reasonable remedy for five reasons. Alternative remedies had failed. The planned duration of the remedy was limited. There was a palpable relationship between the permissable goal and the availability of MBE's. There were waiver provisions. The effect upon innocent third parties were limited because the set aside applied to a small percentage of the construction industry and there was a question as to the extent of the innocence of some of the non-minority business enterprises.

Chief Justice Burger announced the judgment of the Supreme Court that the 10% minority set aside was constitutional and delivered an opinion in which Justices White and Powell joined. The premise underlying this opinion was that remedial racial classifications are different from other kinds of racial classifications. The opinion recognized that when MBE's submitted higher bids they were attempting to cover higher costs which were the present effects of prior disadvantage and discrimination. Justice Burger found four characteristics of the minority set aside program which made it acceptable. The racial and ethnic preference was limited. The minority groups to be benefitted were clearly defined. The minimum level of participation was specific. A procedure for the waiver of the 10% minority set aside was established.

Justice Burger concluded that where federal anti-discrimination laws have been violated, racial preference as part of a remedy is clearly permissable. Fullilove v. Kutznick at 2776-2777. He went further and held that racial criteria may be used to achieve a legislative purpose even when there was no constitutional violation. See, United Jewish Organizations v. Carey, 430 U.S. 144, 147-165 (1977). He also found it was not impermissable to require innocent white firms to share the burden imposed by a remedial racial classification. Fullilove at 2778.

The standards established in Bakke and Weber have been applied to sustain the constitutionality of the affirmative action plans of the Detroit Police Department, Detroit Police Officers Union v. Young, 608 F. 2d 670 (6th Cir. 1979); the Pittsburgh

Fire Department, Chmill v. City of Pittsburgh, 488 Pa. 470, 412 A. 2d 860 (1980); the Sacramento County District Attorney's Office, Prince v. Civil Service Commission of Sacramento County, 26 Cal. 3rd 257, 604 P. 2d 1365, 161 Cal Reptr. 475 (Cal. Sup. Ct. 1980), cert. denied U.S. (1980); the Seattle Fire Department, Mahren v. City of Seattle, 92 Wn. 2d 480, 599 P. 2d 1255 (1979); and the Kansas City Police Department, Doores v. McNamara, 476 F. Supp. 987 (W.D. Mo. 1979).

In Detroit, the city was approximately 50% black and the police force was 17% black. Promotions were based primarily on the results of a written examination. For the three most recent administrations of the examinations whites had passed the sergeants examination at 1.53, 1.36, and 1.26 times the rate of blacks. The Board of Police Commissions adopted an affirmative action plan with a goal of 1:1 staffing at all levels in the police department in order to remedy past and present discrimination in the hiring and promotional policies of the Detroit Police Department. A process of "dipping" or selective certification was used to pass over whites to reach the goal.

The Court found sufficient evidence of discrimination to justify a remedial affirmative action plan with explicit racial classifications. This evidence included:

1. A comparison of black representation in the police department with the Detroit labor market and the general population of Detroit;

2. Analysis of the history of the employment of blacks in the Detroit Police Department dating back to 1944;

3. Judicial notice of various task force studies and judicial opinions finding that blacks were frequently underrepresented in police departments across the nation;

4. Testimony concerning differential treatment of blacks in assignments etc.;

5. The absence of a non-discriminatory explanation for the gross underrepresentation of blacks in the department.

The Court concluded that these facts which might not create legal liability were nevertheless sufficient to justify a voluntary affirmative action plan citing Weber. The Court applied the standard set forth in Justice Brennan's Bakke opinion in holding that the plan was constitutional. The court found that the plan furthered the two compelling governmental interests of remedying past discrimination and improving the quality of law enforcement and that the ratio imposed by the racial classification was reasonable. As will be explained more fully infra, the proposed Philadelphia Affirmative Action Plan is clearly constitutional under Bakke as interpreted by the Sixth Circuit in Young.

The decision of the Pennsylvania Supreme Court holding that the Pittsburgh Fire Department affirmative action plan was constitutional in Chmill is directly on point. Pittsburgh's written entrance examination for the Fire Department had been held to be unlawfully discriminatory in Commonwealth v. Glickman, 370 F. Supp. 724 (W.D. Pa. 1974). Pittsburgh was ordered to develop validated entrance examinations, but the Court explicitly refused to order affirmative relief. Pittsburgh developed a new entrance examination which was composed solely of a physical agility examination. Blacks and whites passed the test at the same rate, but blacks were bunched at the bottom of the list. Pittsburgh concluded that the test was valid for determining who was qualified to be a firefighter and who was not, but was not valid for selecting among qualified applicants. Therefore, the Pittsburgh Civil Service Commission adopted a duel certification system and certified one black applicant for each white applicant.

The Pennsylvania Supreme Court applied the constitutional standards established by the Brennan and Powell opinions in Bakke and the Weber statutory standard in holding this plan lawful. The Court found:

1. The plan was undertaken in good faith to overcome a substantial history of discrimination.

2. It could take judicial notice of the national pattern of racial discrimination in fire departments.

3. The means adopted to implement the plan were not unduly broad. Existing employment rights were not affected and whites were not totally excluded from the hiring process.

4. The racial classification was temporary and was intended to remedy a substantial racial disparity.

5. The means adopted as a remedy were necessary because no less restrictive remedy would achieve the stated goal.

6. Blacks were not stigmatized by the racial classification. The proposed Philadelphia Affirmative Action Plan is clearly lawful under the standards adopted by the Pennsylvania Supreme Court in Chmill.

The proposes affirmative action plan is clearly lawful because it is a remedial plan intended to eliminate the effects of past and present discrimination and it is the least restrictive plan which will achieve its goal.

The numerous bases for finding an extensive pattern of past discrimination are clear. The Philadelphia Commission on Human Relations 1970 Report documents the severe underrepresentation of blacks in all ranks in the Philadelphia Police Department and the lack of validated written examinations. There was a judicial determination that the written entrance examinations used by the Philadelphia Police Department in 1969 and 1970 were unconstitutional and unlawful. Commonwealth v. O'Neill, 348 F. Supp. 1084. New written examinations have been developed and administered. These examinations continue to have a significant adverse impact on black applicants for employment and have not been judicially determined to be valid. The promotional procedures used by the police department have been revised, but they continue to have a significant adverse impact on black candidates for promotion. Commonwealth v. O'Neill, 465 F. Supp. at 454.[3] The problem of underrepresentation of blacks in the higher ranks of the police department is compounded by the cumulative effect of discriminatory examinations. The background investigation conducted by the police department on prospective police officers has disqualified a disproportionate number of black candidates. Commonwealth v. O'Neill, 348 F. Supp. 1084, 1094 and 1101.

Moreover, the integrity of the most recent promotional examinations has been severely compromised. Although these facts may not provide a sufficient basis for a judicial finding of unlawful discrimination, they clearly form a sufficient factual predicate for concluding that there is a compelling governmental interest in adopting a voluntary affirmative action plan to remedy past and present discrimination. See, Weber at 208; Bakke at 301, 302, 307, 308; Chmill 488 Pa. 470, 485, and 501. This conclusion is buttressed by the fact that there is also a compelling governmental interest in increasing black representation on the police force in order to improve the quality of law enforcement in Philadelphia. See, Detroit Police Officers Union v. Young at 695; Bakke at 310, 311; Doores v. McNamara, supra at 995.

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[3] From 1966 through 1975, whites passed the written examination for corporal at 1.71 times the rates that blacks did; for detective, whites passed at 1.78 times the rate blacks did; and for sergeant, whites passed at 1.65 times the rate whites did. The likelihood that this result occurred by chance is less than 1 in 1 million. 465 F. Supp. at 454.

The hiring and promotion ratios in the proposed affirmative action plan are reasonable. They are the same or smaller than those in the Detroit plan where the availability data was essentially identical. Detroit Police Officers Union v. Young at 696. The hiring ratio is the same as the one adopted in Pittsburgh which has a substantially smaller black population. Chmill, 488 Pa. 470, 475, 477, 478. They are consistent with the 1:1 ratio approved in Weber where the overall labor force was 39% black and the Kaiser labor force was 15% black, Weber at 198, 199. These proposed ratios do not totally exclude whites from the hiring and promotion processes. See Weber at 208; Fullilove at 2778 and 2793; Chmill, 488 Pa. 470, 486. The proposed ratios are not indefinite, but are temporary and limited to the time necessary to achieve stated goals. See, Fullilove at 2763, 2764; Weber at 208; Detroit Police Officers v. Young at 698; Chmill, 488 Pa. 470, 486. The proposed plan explicitly states that only qualified candidates will be hired and promoted so that the city will have some discretion if there are an insufficient number of qualified minorities. See, Fullilove at 2793; Chmill, 488 Pa. 470, 501, 502.[4]

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[4] The City has recognized that candidates for promotion who pass the examinations, but would not be reached by promoting in rank order are qualified by agreeing to such a procedure for women as part of a consent decree, USA v. City of Philadelphia, 24 EPD ¶31327 (E.D. Pa. 1980)

The proposed affirmative action plan containing an explicit racial classification is necessary because no less restrictive plan will enable Philadelphia to meet its constitutional duty to eliminate the effect of past discrimination. See, Bakke at 305; Chmill, 488 Pa. 470, 501. Although Philadelphia has been aware of the severe underrepresentation of blacks in the police department since at least 1970 and police hiring and promotions have been subject to the close judicial scrutiny, the percentage of black police officers and supervisors continues to decline. The percentage of black police officers has fallen from 21% to 17% over the last ten years. When the most recent police promotions were made only 6 of 92 or 6.5% of the candidates promoted to sergeant were black. For the ranks of detective and lieutenant 5 of 119 or 4.2%[5] and 3 of 35 or 8.6% of those promoted were black. None of those promoted to the rank of captain or above was black. This severe underrepresentation of blacks despite the continuing effort to improve the selection procedures demonstrates that nothing less than an affirmative action plan with explicit racial classifications will eliminate discrimination.

## V. CONCLUSION

The Philadelphia Police Department currently employs hiring and promotion procedures which result in the substantial underrepresentation of blacks at all levels in the department. This severe underrepresentation is the effect of past discrimination and the inability to develop selection procedures which do not continue to have a significant adverse impact on blacks. There is little evidence that these selection procedures which have such a severe adverse impact on blacks reliably select the candidates who will perform best on the job. Under these circumstances, it is unacceptable to continue using selection procedures which exclude a disproportionate number of blacks. The proposed affirmative action plan would end the exclusion of a disproportionate number of balcks and enable the City of Philadelphia to meet its duty to eliminate the effects of past discrimination without unnecessarily trammeling the rights of others. The proposed affirmative action plan is clearly constitutional.

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[5] Two of the blacks promoted to sergeant and two of those promoted to detective were women who were promoted out of order as a result of the consent decree in USA v. Philadelphia. If there had been no judicial investigation only 4.4% of those promoted to sergeant and 2.6% of those promoted to detective would have been black.

Mr. GRAY. Thank you very much, Mr. James, Mr. Williams, and Mr. Swans.

Let me begin the questioning. Mr. James, earlier in today's hearings we had testimony from the district attorney, Mr. Rendell, stating that from the mid-1970's to the mid-1980's the highest percent of crime victims in the city of Philadelphia were minority persons, specifically black, and second, the perpetrators of those crimes were predominantly minority persons. And it was his feeling, in terms of his own department of prosecution and investigation, that it had been very beneficial to increase minority representation in the district attorney's office for the reason that many of the people were more familiar with the community, more familiar with the neighborhoods, as well as the way life is lived there.

Are you saying also a similar thing, that in light of these crime statistics, where we have crime in high amounts in the black community, that those who are really seriously concerned about fighting crime should also be seriously concerned about increasing minority representation in law enforcement in the city of Philadelphia.

Mr. JAMES. That is right, Mr. Congressman. Those that are interested in fighting crime would increase minority representation, because one of the major functions of the police department is not so much of fighting crime as it is of service to the people. Since the police department does not reflect the community they serve, they lack the sensitivity needed for that service.

Mr. GRAY. I have some figures before me. I would like to know if they are correct. Out of nine chief inspectors, there are no blacks. Out of 31 inspectors, there is 1 black. Out of 29 staff inspectors, there is 1 black. Out of 96 captains, there are 2 blacks. Out of 286 lieutenants, there are 20 blacks. Out of 501 sergeants, there are 53 blacks. Out of 188 corporals, there are 28 blacks. And out of 601 detectives, there are 71 blacks. Are those the figures that correlate with your figures?

Mr. **James**. I have a little update on the figures. They are a little bit worse.

Mr. **Gray**. Would you correct the data that I gave?

Mr. **James**. Chief inspectors, nine, no black. Inspectors, 32, 1 black. Staff inspectors, 31, 1 black, and that 1 black has put in his retirement papers. Out of the 101 captains, there are 2 blacks; 301 lieutenants, there are 22 blacks; 528 sergeants, 55 blacks; 166 corporals, 28 blacks; 630 detectives, 75 blacks. And there was a recent promotion last week under the Green administration of 48 corporals, of which 6 were black.

So under this new, supposedly fair administration, they have promoted 418 officers, and of those 418 officers only 34 have been black.

Mr. **Gray**. When you submitted these figures, or figures similar to this, without the last week, what has been the response of the administration? Have they challenged or questioned your figures, or do they basically agree with the figures?

Mr. **James**. They were never challenged to us directly. They were challenged indirectly to other people. I gave those figures to reporters. They have told me the administration questioned our statistics. But they have never——

Mr. **Gray**. Have they ever come forward with any clearcut figures of their own or proof of their own that challenges your figures, other than just a verbal denial to some members of the press?

Mr. **James**. None that I have seen or heard of.

Mr. **Gray**. What was the position of the Guardian Civic League when it came to the question of deadly force? Were you supportive of deadly force proposals by the city administration?

Mr. **James**. Yes. We testified in city council that we were commending the Philadelphia Police Department for at that time implementing some policies that would seem to put some constraints on the use of deadly force by the Philadelphia Department officers. However, we said that the constraint which they implemented was not enough.

Mr. **Gray**. Well, I have been impressed by the progress of the administration on deadly force, and also in cutting operating costs. But it seems to me the continuation of this policy that you are talking about here threatens to plunge the city into even greater turmoil, since the city's most serious crime problems exist in a nonwhite low-income neighborhood. And having a police department that is racially imblanced definitely impairs it from adequately performing its sworn duty to protect and serve our great city

It seems to me anyone really serious about attacking the problem of crime, which everyone in this city ought to be serious about, ought to really come up with an affirmative action program since apparently other major cities to my knowledge, like Detroit, Baltimore, have been able to come up with one that increases not only minority representation, but also representation at the supervisory ranks. And that to continue such a policy is not going to really address the whole question of crime in this community—although this committee today has heard a lot of reasons why crime exists, and I think Mr. Swans has mentioned it, also, the district attorney, high unemployment. But the reality is although we have to address ourselves to the causes of crime at the same time we have to deal with the effects of it, particularly when you are talking about what has been expressed by the district attorney—over 20 percent increase in 1980.

It seems to me anyone serious about dealing with crime in a city that has over 40 percent minority representation certainly would develop programs of entrance as well as promotion that would provide greater opportunities for minorities to be represented in the law enforcement section of our city. And it seems to me there is very little real hope that the administration's current policies will produce any significant gains in the numbers of nonwhites as I see it. It seems to me that an intense affirmative action plan will have to be adopted in order to assure that more blacks and other minorities are brought into the department in order to provide a significant pool of future supervisors.

Let me ask you one other question. It is my understanding there are approximately 4,878 persons now on the eligibility list. Is that correct?

Mr. JAMES. That is about right.

Mr. GRAY. And the total is made up of the following groups: 1,938 white males; 680 white females; 1,108 black males; 863 black females. Thus having a ratio of something like 2,600 to about 1,931. Is that correct?

Mr. JAMES. That's about right.

Mr. GRAY. About 249 other ethnic groups represented.

Mr. JAMES. Right.

Mr. GRAY. Now the racial composition of the top 1,000 persons on the eligibility list, according to my understanding, shows that each ranked group of 100 persons, that whites outnumber blacks by a ratio of 3 to 1. Is that correct?

Mr. JAMES. That is correct.

Mr. GRAY. Why do you think that is the case? Is it because blacks just don't have the ability to take the test or just don't have the intelligence or what?

Mr. JAMES. No. I think—first of all, the test is not really job related. And the rank order system that they use doesn't necessarily show that a person at the top of the list can perform his job as a police officer better than a person in the middle of the list or halfway down or at the bottom. So we have suggested that the testing does not really show or prove that a person can perform well as a police officer, and that they should use something other than multiple choice rank order testing.

Mr. GRAY. I want to thank you, Mr. James. I am certainly disturbed by these figures—the fact that we are talking so much today locally as well as nationally, on the Federal level, of increasing crime. It seems to me one of the places we need to move is dealing with increasing minority representation in police work, since between 75 to 85 percent of the crime takes place in the minority community. I don't think that black persons, Hispanic persons, like being the victims of crime.

Let me just move to Mr. Williams.

Mr. Williams, you have been instrumental, as was mentioned by Mr. Swans—your community group, known as the North Central Community Patrol, in heading off a very violent confrontation in the city last summer by taking young people and involving them in bringing people together to resolve that conflict.

Did you find that most of the participants in the conflict of last summer here in the city of Philadelphia, north central Philadelphia, were people who were employed or unemployed? Those that your group did a lot of talking to.

Mr. **Williams**. Well, Mr. Gray, most of our group, people that we are involved with, 90 percent were unemployed. The other 10 percent were concerned—people who were employed. Basically we were able to reach the eyes and the ears of the unemployed people in our community so that we could get across to them that maybe if they would come together and show the city administration and the government that we can move on a positive level without being employed, that we were able to get something done. So to your question, 90 percent of them were unemployed.

Mr. **Gray**. A question to Mr. Swans. Mr. Swans, one of the things that Crisis Intervention Network, Inc. has been doing, as you point out in your testimony, has been using indigenous neighborhood folk, often former gang members, as I understand it, to help resolve conflicts and violence in inner city neighborhoods.

I have two questions. One, are there any other cities that have tried to duplicate or are trying to duplicate what you have done here in the city of Philadelphia? And two, with the proposed budget cuts that are coming out of the Federal Government, will that have an effect on the work of your organization, Crisis Intervention Network?

Mr. **Swans**. In answer to your question, we are currently working with the city of Los Angeles to replicate Crisis Intervention Network—one, through the hiring of indigenous persons; two, through the development of local parent councils. We are also engaging in discussion with the city of Chicago, and we have also engaged in preliminary discussion with Dade County, Fla. What we have found is that with utilization of indigenous persons, one, they have a stronger and more binding commitment to the community, a clearer understanding of the problems that confront those communities, and in addition to that, the community places them on call 24 hours a day.

In answer to your second question concerning the Reagan administration's proposed budget cuts, it can have a very profound effect on agencies such as Crisis Intervention Network. It is interesting to note that our initial dollars received in the development of this program derive from LEAA, which was a very intense struggle, because at that point it was hardware versus software. Nevertheless, the initial funding did come from LEAA.

I want to clear up one thing if I could. The gang problem in the city of Philadelphia was not only resolved by Crisis Intervention Network, it was resolved as a result of the participation of many, many neighborhood groups, neighborhood groups that had small seed funding. If you take away that seed funding, then you take away the necessary support for Crisis Intervention Network.

Additionally, Crisis Intervention Network was never meant to be a cure-all. It does not address the unemployment problem. It does not address the housing problem. It does not address the need for intense counseling of juveniles. We must rely on other community-based organizations in order to supplement our efforts. So if Federal dollars are cut, and they affect groups such as Mothers Concerned, organizations such as that in Philadelphia, or if we talked about Los Angeles in terms of the mother's clubs, and groups like that, then what you have done is take away the life support to impact on crime in local areas. I would hope that that would not happen. I would hope this body would be able to do something that could avoid that.

Mr. GRAY. Thank you.

Congressman Dellums.

The CHAIRMAN. Thank you, Mr. Chairman. My first question is to Mr. James.

In the hearings that we held last year in Washington, D.C., a number of police chiefs, former police chiefs, testified before the committee, and I asked all of them the question with respect to deadly force. All of them agreed that there was desperate need for national policy in the area of the use of deadly force since there are such wide discrepancies across the country.

Do you agree that there is a need for national policy in the area of deadly force?

Mr. JAMES. Yes; I do. It is very simple. A police officer should not use his weapon unless his life or someone else's life is in danger.

The CHAIRMAN. Thank you.

Mr. Williams, what is your assessment of the potential for civil disorder in Philadelphia, given the present climate, given the direction, given the priority?

Mr. WILLIAMS. Would you repeat that question?

The CHAIRMAN. Given where we are at this point, in a fiscally conservative era, we are in an era of substantial cutbacks in Federal resources designed to address human problems, we are in a period in history where our cities are beginning to deteriorate, particularly older cities—given all of that—high unemployment, loss of potential for rental housing, massive problems—what is your assessment of the potential for civil disorder in Philadelphia, given that environment?

Mr. WILLIAMS. Well, my assessment as of now, is that of a total failure. Because of the unemployment, bad housing, overcrowding of housing units, areas of that—these problems—it all boils down to unemployment. There is a lot of stress created by unemployment.

The CHAIRMAN. The question I raise is, is there potential for explosion?

Mr. WILLIAMS. Sure. As much stress as there is in the communities now, I would think—I'm more than sure, that by this summer not only Philadelphia, but Chester and surrounding areas, that there will be a racial riot, or it may just be a riot because of the high tensions. Basically people are in such high emotions now that it is like a firecracker. One spark and I think a couple of cities could go up in smoke.

The CHAIRMAN. You first indicated that you perceived the major problems as economic issues, unemployment. Then in response to my question you said that you thought the explosion would have racial overtones. Why do you think that, given the class nature of the issues as you have enunciated earlier?

Mr. WILLIAMS. Basically because your high unemployment is 90 percent black. It is hard for a black man to respect or give respect to Caucasian or white peers when he knows that it is harder for him to get a job than a Caucasian or white peer.

The CHAIRMAN. Mr. Swans, first, you indicated your initial funding came from LEAA. Can you tell me what has been your principal source of funding since 1975, and what are your projections for the future.

Mr. SWANS. We are currently dependent solely upon State funds. Amendment to the Child Welfare Code in the State of Pennsylvania provides a reimbursement formula where the State reimburses the city 75 cents on each dollar it expends. I would like to mention also, though, that those funds are now in jeopardy. What we had hoped for would be an increased amount of discretionary dollars geared toward community crime prevention. With the thrust of the Reagan administration, that seems very doubtful at this point.

The CHAIRMAN. So we will have, then, areas unattended as a result of these funding cuts. Are you aware of any private efforts that you can rely upon, absent State and Federal funds, to address these problems?

Mr. SWANS. I would like to address that in two parts. One of the things is there seems to be a thrust on the part of the Internal Revenue Service to provide 501(c)(4) status as opposed to 501(c) status, which means that companies do not benefit from the tax incentive programs that are now in place. Their contributions are not deductible. Therefore, there has been a decline in the amount of dollars contributed by private corporations to grassroots community efforts.

Additionally, we have seen a gradual withdrawal of initiatives on the part of corporations, as I understand, because they are plagued with problems—there has been a gradual withdrawal from contributing additional dollars.

I have not seen any increased effort on the part of private industry to contribute additional dollars to grassroots crime prevention efforts.

The CHAIRMAN. All right. So State funds are in jeopardy. Federal funds are being cut back. And you perceive a significant withdrawal of private funds to address the problems that you have attempted to speak to.

What does that mean for the future?

Mr. SWANS. That means that innovative and creative ideas, programs such as Crisis Intervention Network, programs such as the one that was devised in North Central, that is yet to be funded, run by Jewell Williams, are in serious jeopardy. If those programs are jeopardized as a result of lack of dollars, then we can very much look, unfortunately, to a continued increase in crime, to a continued possibility of urban insurgence, conflict, riot, or the burning of our cities.

I guess I should clarify this, if I may. Often when people talk about riots, it is perceived as an effort to threaten government. I do not think it should be perceived in that light. I think that we need to look very realistically at the problems that are affecting our urban areas.

We have a tremendous unemployment. Our young people have been terribly disillusioned. They have been told that if they complete high school that there is a stronger possibility of obtaining employment. They go out and they complete high school and they find there is no employment.

We find that there has been a cutback in the CETA dollars that employed their parents. So not only do we have the child disillusioned, you have the father in the home that is unable to obtain employment to support his family. You find the mother in a situation where she cannot provide support for her family.

While we do not want to ever justify crime, we have found that it is a survival mechanism for many of the minority persons that live in urban centers, that they have to resort, unfortunately, to the peddling of drugs, and as a result of peddling of drugs we find a horrendous situation such as that exists in Raymond Rosen project. We find our senior citizens unable to walk the streets. We find that the children are the ones that are victimized.

We find there is a reaction to police abuse, such as what occurred in North Central, such as the actions being taken in Chester, now.

It is an unfortunate kind of situation. But if we do not in some kind of way begin to address the disillusioned population of our urban centers, then it seems as though we are in fact inviting crime. We are in fact inviting racial conflict.

It seems as though poor white people believe that poor black people are getting more than them. If we look at it from a historical perspective, every time there has been a major crisis in our economy, there has always been an increase in racial hostility. And we find that in Philadelphia, with blacks and Koreans. We find whites against blacks. And in Los Angeles we found it with blacks against Mexicans—neither had anything to gain.

The CHAIRMAN. Because of the unemployment, do you believe that an increasing number of young people are becoming trapped in a criminal lifestyle?

Mr. SWANS. We have found that the gang structure in Philadelphia has been in existence for many, many years, goes back 50 or more years, in terms of gang structure. It has always been a thing of protecting one's turf. In many cases the gangs have played major roles in combating crime at the neighborhood level, such as again what happened in North Central, where gangs themselves played a major role in averting a riot. We are finding a shift, however, now in South Philadelphia, for example, areas such as 19th and Carpenter, areas in North Central, we are finding a shift also where it has become a part of the custom, a part of the norm, for those persons to have to engage in the selling of drugs to survive.

They perceive that as having to engage in the peddling of drugs to other children to survive. They are engaging in extortion of neighborhood businesses—neighborhood businesses being minority-owned "mom and pop" stores struggling for survival. Extorting money, protection dues, as they call them, from those persons.

In answer to your question, yes, we are finding that there is a trend, a growing trend, among our young people, among our youth groups, becoming involved in a life of crime, crimes geared against residents of their very same community.

Mr. **Dymally**. Mr. Chairman, would you yield for a question? Is there a resurgence in gang activity?

Mr. **Swans**. We are finding a resurgence in violence. At this point, in Southwest Philadelphia, which is a predominantly black middle-class area, over 60 percent homeowners, we have found an increased level of violence. We are finding in North Central and a number of areas an increased level of violence. It is taking the characteristics of gang violence.

I should mention, however, that Philadelphia has had a very unique capacity for adults in the community to band together and to combat youth violence. I don't know if that can continue, if in fact the black adults in those neighborhoods continue to suffer an increased level of pressures themselves in terms of unemployment and inability to survive and support their families.

I should mention again what we found in Los Angeles, also, working there, is that there has not been a time that I have been out there since January, going back and forth, that there has not been a child under the age of 15 years of age killed. When I was in Los Angeles in January, there was a 9-year-old boy by the name of Moses Hamilton that was playing in his own yard, along with three other children, and was shot dead as a result of gang warfare. I am afraid that potential not only lies in Los Angeles, but also the potential here may become greater again.

The **Chairman**. Mr. Chairman, Mr. Swans' latter comment answered my other question. I have just one more. What will be or could be the social consequences for the city of Philadelphia if the present program that is being enunciated by the leadership of this country comes to full fruition.

Mr. **Swans**. If we accept my earlier statement of fact, that during periods of major economic crisis, that there is an increase in racial hostility, which may be best exemplified by the conflict between blacks and the Asians in Philadelphia, and blacks and Mexicans on the west coast, I think unfortunately unless some sort of sense prevails that we are going to find an increased number of racially motivated situations.

Race war may be a bit too dramatic, in the sense I think there are calm heads, reasonable persons on both sides of the fence. And I think there has been significant gains in terms of increasing the level of understanding between poor people. But I would think that in poor neighborhoods, with blacks and whites bordering each other, that there are going to be a number of persons that will lose their lives as a result of perceived conflict between blacks and whites, as opposed to perceiving it as a class struggle.

Two situations may help to note that better, Congressman Gray. You may be familiar with the situation in Southwest Philadelphia, Tracy Chambers, that occurred approximately two summers ago, where two white snipers shot down into a crowd of blacks, youngsters playing handball, and the result is a young black, Tracy

Chambers, was killed. A followup of that the next year was a situation where a young white was stabbed to death by a black youngster. This is in an area where poor people, blacks and whites, live very much next to each other, an area that is in transition, as they say. That area has potential for major racial confrontation. I think the city is doing a number of things to avoid that. But I think it is going to take a lot more than just a city. I think it is going to take a commitment on the part of the State and a commitment on the part of the Federal Government to recognize that as a result of their policies of fiscal austerity, that they are in fact creating hostility between races. I think that is unfortunate.

I think it can be corrected if the Reagan administration begins to adhere to some of this committee's advice.

The CHAIRMAN. Mr. Chairman, I would like to thank each of the three gentlemen for their responses to my questions and their contribution to these proceedings. The testimony has been extraordinary.

Mr. GRAY. Thank you, Mr. Dellums.

Congressman DYMALLY. Before Congressman Dymally begins we would like to acknowledge the presence of Congressman Robert Edgar from Delaware County.

Mr. DYMALLY. Mr. Chairman, I have one question for Mr. James. What role is the league playing in the recruitment of minorities, if any at all, and what has been your position with reference to the statement you made about recruitment here in Philadelphia?

Mr. JAMES. Well, on account of our recruitment effort, every time they announced a test, which they did in 1978, we started a police applicant program, in which we addressed community groups, local radio stations, and started classes for those that wanted to take the exam. We conducted a class for about 400 people. Once they passed the test, we conducted classes on the continuing processes that they need to enter the police department, in which we helped about 300 of those that passed, and we helped about 80 percent of them into the job. We did that again in 1980.

Of the new list, there are presently applicants now. We are conducting classes for those. Because of our efforts, we were able to get 52 percent of the minorities that applied for the police exam last year.

Mr. DYMALLY. Mr. Williams, are you familiar or in contact with any police-community relations effort?

Mr. WILLIAMS. Yes, we are. We have been working in the 23d police district. They are aware that we have a voluntary community patrol group in our community. We are beginning to work hand in hand with the police department in the 22d and the 23d districts. We have a lot of black police officers from Guardian Civic League who comes out on their spare time and give us technical assistance and liaison information to keep our patrol updated on the crimes in our community.

Mr. DYMALLY. One last question. Mr. Swans, do you think that the presence of blacks, Hispanics, and Asians on the police force would have a positive effect in terms of reducing crime and enhancing police-community relationships?

Mr. SWANS. Sir, there is no doubt in my mind if there was a larger number of minorities that were represented in the police department that within itself would help avert problems. I should have mentioned that if the Guardian Civic League had not been present in North Central, with the potential for explosion existing—I should also mention that was not a paid function for a number of their members, that their members in fact volunteered along with former members of gangs and members of the group that Mr. Jewell Williams is representing here today, that they left their houses and their families, worked into the wee hours of the morning as volunteers, police officers, and they were not being paid by the Philadelphia Police Department at that point. I think that is extraordinary within itself.

Mr. **Dymally**. Thank you very much, Mr. Chairman.

Mr. **Gray**. Thank you. At this time we would like to call on Congressman Edgar, who has joined the committee.

Mr. **Edgar**. Thank you very much, Mr. Chairman. It is a pleasure to be here this afternoon. I apologize for not being able to be here earlier. We had a very tragic series of events in the city of Chester in the last 3 weeks. We had the death of a black man at the hands of a white policeman which caused a great deal of difficulty within the community. We had a large industrial accident about a week or so ago that left four people dead at the Sun Ship facility. But the thing that detained me today was the funeral of one of our very capable State representatives, in fact the only Republican black State representative, who passed away a week ago. And I wanted to participate in his memorial service.

Mr. Chairman, I cannot help but think that the statements and testimony that you have just heard on the crime situation in Philadelphia sounds very familiar to me. Back in 1968 I became pastor of a church here in the city of Philadelphia. About 2 weeks after I began serving that church there was a gang fight out in the middle of the street. Groups of black young people and white young people were going at each other. And the lesson that I learned in the streets of Philadelphia propelled me into forming the East Falls Human Relations Committee, beginning to ride with the Philadelphia Police Clergy Unit, and between 1968 and 1974 really getting my education, which was not in college or seminary or in my academic training, but was in fact in the streets of Philadelphia.

And I think as we look to the actions in Washington, particularly the budget actions, I'm strangely troubled that some of our early frustrations in the mid to late 1960's are turning. We had put in place programs that were trying to be responsive to community and neighborhood problems—not always perfect in the area of housing or education or crime prevention, not always perfect in the sense of trying to respond to emergency housing needs. But at least we began to address the problems of nutrition, the problems of information and education, and the problems of youth recreation. And I, with you and other members of this particular panel, are deeply concerned about what we see in Washington.

On February 18 the President of the United States came before a joint session of the House and Senate and he said four simple things. He said, "Ladies and gentlemen, we want to reduce spending, reduce taxes, increase defense, and balance the budget." And a great deal of applause occurred on the part of the Democrats, Republicans, conservatives and liberals to reduce spending, reduce taxes, increase defense and balance the budget. Unfortunately very few people looked at the fine print and discovered that the $40 or so billion of domestic savings that occurred by the Graham-Latta substitute in the Reagan budget simply get translated into defense expenditures, and there is in fact no savings to the Federal Government. And I think that one ought to focus, if we are going to talk about crime, on the $1.5 trillion of defense spending that we are going to spend over the next 5 years. Three times the buildup that was built up between 1965 and 1970 to get ready for the Vietnam war. And conservative and liberal economists have said that the buildup for the Vietnam conflict was the partial cause of the early inflation of the 1970's. No one in the business community or in the Reagan administration is talking about the inflationary impact of that.

But just think. In 1984 we are going to spend $3 billion to $4 billion in that one year on defense. On the panel today is the chairman of the of District of Columbia Committee, Ron Dellums. Ron, I have to tell you that you are one of my heroes in Washington. You gave a speech a few years ago that I can remember, perhaps not word for word, but at least the essence of it, which I think focuses in on this panel's discussion, and I will close with that.

Ron, you took the House floor when we were dealing with defense buildups, and you said, you know, the people in my district aren't as afraid of the Russians, aren't as afraid of external enemies, aren't as afraid of outside influences in the United States as they are in living safely within their own communities. And the people walking down the streets of my community don't look over their shoulder and say, "Hey, the Russians are coming." They look over their shoulder and say, "Can my young people have quality recreation and education, housing, quality food for the children of our community?" And I think the link that you have made each time on the defense budget discussions is the appropriate link that has to be made today.

Unfortunately I think we as politicians promise too much. And you cannot reduce spending without hurting people. You cannot reduce taxes without increasing deficits. And you cannot spend $1.5 trillion over the next 5 years on defense without impacting on housing and education and crime, without impacting on the quality of life within communities. And I think we need more hearings around the country and more people within the press and the local communities who read the fine print and understand the devastation that may be upon us as we begin to drastically alter the programs we have put in place to deal with the problems that have been described in the panel discussion this morning.

So I join with you in a lament about the things that are happening in Washington, and I call upon all of us, Democrats, Republicans, conservatives, liberals, business community, academic, labor community, to join together and simply say we want to live in a community and a society that is different, that is unique, that cares about people, that is responsive to their needs, and not in a society that simply builds a Maginot wall facing out and doesn't recognize the needs of internal defense within the United States.

Thank you, Mr. Chairman.

Mr. **Gray**. I want to thank our distinguished colleague, Congressman Edgar, for joining us, and for his intervention and comments. I want to make one correction. Congressman Dellums is the chairman of the District of Columbia Committee. I'm the subcommittee chairman, who is just sitting in the chair. With that, I would like to turn to Congressman Dellums.

The **Chairman**. Thank you very much. First I would like to thank my friend, Bob Edgar, for his kind and generous remarks. Earlier in the proceedings we tried to make that appropriate link. I think most of the people in the room at this point have a good feeling for it. It is good to have it reinforced. It is my hope that it doesn't get lost as important perspectives get edited out of stories that attempt to tell people what is happening. And so I appreciate very much your repeating the statement.

I would like to finally take advantage of the presence of Mr. James to ask you a question that I asked Mr. Rendell this morning, so that we can make, hopefully, a more perfect record. If you recall, this morning I mentioned to Mr. Rendell that when the Kerner Commission report came out they made a number of recommendations that addressed the issue of the conflict in police-community relations, specifically the relationship between the police and the black community of America. As a result of that report and recommendations, a number of software programs that attempted to sensitize the police and bring the police and the community together in greater harmony and greater communication and greater cooperation were developed. The police officers that testified before these proceedings in Washington last year said in the fiscally by conservative atmosphere that we find ourselves in, it is these very programs that were designed to sensitize the police that are going out the window as the meat ax is applied to the budget. So that we may very well find ourselves going right back to the era in this country that gave rise to the explosion around the police and the community.

Question No. 1: Did Philadelphia ever institute any of these programs, police-community relations, human relations programs, sensitizing of the police, et cetera, and if so, are you experiencing that these programs are the very programs going out the window as Philadelphia along with other cities, have to begin to reduce their local budgets.

Mr. **James**. Well, during that time, Congressman, the administration, under the Rizzo administration, they did implement or receive money from the Federal Government to employment community relations and human relations programs, but did it on paper only. So in terms of any type of teeth or actual working where officers had to go out and really enhance community relations, they did not. The money was transferred to other parts of the police department to get more equipment, more vehicles.

For example, they started an anticrime team, in which they had proportional representation of officers—and these are officers working in high crime areas in plainclothes. And the unit was about 60 police officers, with maybe about 20 of them black. Well, now there are only about seven black officers in the unit working in the high crime areas in plainclothes.

In terms of community relations, emphasis was never on community relations. If police departments really wanted to do something about community relations, they would give us the power necessary to insure they can have a good program.

For example, you have civil affairs. The chief inspector in civil affairs, when he comes out on a situation, anything he says goes to any and all police officers. They should do that same kind of emphasis with community relations. But they don't.

The **Chairman**. You painted a past picture. What about the present?

Mr. **James**. Under the new administration, there has been more emphasis in terms of community service and in terms of community relations officers to address some of the concerns of the community. It is much better than it was under the past administration. It still has a long way to go.

The **Chairman**. Do you think these efforts will be significantly reduced or altered in this atmosphere of budget cutting?

Mr. **James**. Right; I think everyone is very budget conscious. Therefore, since this administration seemingly wants to increase community relations, it will not be able to do so because of budget constraints.

The **Chairman**. Thank you very much.

Mr. **Gray**. We want to take this opportunity to thank the panel—Mr. James, Mr. Williams, and Mr. Swans—for sharing with us and testifying today. Your testimony, written testimony, will be inserted in the record. We are deeply appreciative of the insights that you have given us in terms of crime and law enforcement here in the city of Philadelphia.

At this time the committee will stand adjourned for a 20-minute break. We are running a little late. We are going to try to make up 45 minutes of it by only taking a 20-minute break, since we have been in session since 10:15 this morning.

The committee will stand adjourned for 20 minutes and reconvene at 20 after.

[Whereupon, at 2 o'clock p.m., the committee was recessed, to reconvene at 2:20 o'clock p.m., this same day.]

## AFTERNOON SESSION

Mr. **Gray**. Ladies and gentlemen, the committee is now back in session.

We are ready to begin our afternoon session. We must ask our witnesses to forgive us for the delay, but because of the length of this morning's session, we are running a little behind schedule.

Our first witness this afternoon will be Robert Sorrell, president of the Philadelphia Urban League. He will be followed by a panel on employment, and then a panel on education.

Mr. Sorrell, we invite you to come and take the witness chair.

Mr. Sorrell, we would like to inform you that your entire written statement will be placed into the record. However, in the interest of time, we would like to ask you to perhaps highlight and summarize that statement in 4 to 5 minutes, so that we may get into questions. And I'm sure that as we ask questions, we will get into much of the meat of your written statement. And your written statement will be entered into the congressional record.

## STATEMENT OF ROBERT SORRELL, PRESIDENT, URBAN LEAGUE OF PHILADELPHIA

Mr. **Sorrell**. Thank you, Congressman Gray. I will try to do just that. Just a few summary remarks on the content of our prepared testimony.

In February 1981, earlier this year, the Urban League of Philadelphia released a report called the State of Life in Philadelphia, where we documented continuing hardships for Philadelphia's largest minority.

Just to summarize some of the contents of that report—one of the emphases placed in the nine different sections of the report dealt with, really, the continued involvement of Federal resources at a time when it appears as if Federal resources are decreasing. But we need that involvement, along with continued Federal oversight, for the Federal Government to play the role of an ombudsman. Cities and States have not always acted responsibly or provided opportunities for the minorities and poor. In fact, the national sense of what we call the new negativism says, basically, we have done enough.

In education, some of the problems we talked about in the report that Philadelphia continues to experience, really whites leaving our public school system, and some blacks who can afford to pulling out of the system and not entrusting their children to the system. The issue of quality education quite often is a lost issue—when in 1979, as reported, 39 percent of the students attending the public school system were said to be functionally illiterate. Of the over 200,000 students in the system, 70 percent are black and Hispanic.

What is needed in order to improve the quality of our public education system are the targeting of Federal funds and for the Federal Government to continue to provide monitoring and oversight to make sure that those funds are spent correctly and for the purpose that they are generated for. Also, involvement of parents and, in particular, the private business sector.

In housing, there are a vast list of problems in Philadelphia currently. Between 400,000 and 500,000 or half a million people need housing assistance. The intent of the community development block grant legislation we think is good, the application is poor. There is a tremendous problem in public housing. In general, it is a supply problem, in that there is not a sufficient supply of housing to meet the demand, and therefore the price of housing, the cost of housing exceeds what most people can pay for housing. It is almost beyond the dream of most citizens in Philadelphia now to own their own home if you look at mortgage rates and even the cost of rental housing. That American dream no longer is within the reach of most people.

Again, the legislation is there, but the targeting of Federal funds and also the monitoring and oversight on those Federal funds is what is sorely needed.

One of the areas that you are looking at is youth unemployment. There is really an unemployment problem. Youth and other groups within the overall population are impacted more severely. Philadelphia generally experiences an unemployment problem. The economy in Philadelphia has changed drastically. There has been over 100,000 manufacturing jobs leaving Philadelphia over the past 10 years. Those are jobs that people cannot access with limited and, in many cases, almost no skills at all. That kind of employment is leaving Philadelphia. In the place of that you are finding a lot more technical jobs, administrative in nature, that require a different level of skills training. So what is happening is you have people displaced from manufacturing that cannot flow into the types of jobs that are available. So the nature of work is changing in Philadelphia, and the skills required in order to access that job market are also changing.

The last two points—on a piece of at least proposed Federal legislation or something coming out of the current administration, there is a lot of fear and anxiety around the block grants that have been proposed by the Reagan administration, which appears to most people as an indication of a reduction in the Federal commitment, which will also have an impact of increasing competition for the funds that are left. That means blacks against whites, young people against old people, suburban residents against urban city dwellers, in terms of what funds will be available.

There isn't an awful lot of information in terms of how that system will operate, whether those funds will flow to the State and then the State will allocate them by jurisdiction or whether or not some of the funds will flow into the city. But there is an awful lot of anxiety in the face of the current budget cuts we have all read about, and this has impacted already in Philadelphia.

My last comment is on the concept of the enterprise zones, the Kemp-Garcia bill, which appears to have some positive features about it. There are some questions as to whether or not you can give the amount of tax credits as proposed in the bill in an area such as Philadelphia, whether or not the city can afford to give all of those tax credits if the bill is utilized to any large extent. And also the problem around identifying the target areas, whether or not there should be census tracts or something larger. But I will gladly discuss that during the question and answer period.

Mr. GRAY. Thank you very much, Mr. Sorrell.

[The prepared statement of Robert Sorrell follows:]

news
URBAN LEAGUE OF PHILADELPHIA

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STATEMENT OF THE URBAN LEAGUE OF PHILADELPHIA

TO THE

HOUSE COMMITTEE ON THE DISTRICT OF COLUMBIA

MONDAY, JUNE 15, 1981

1930 CHESTNUT STREET PHILADELPHIA, PA 19103 215/561-0700

Members of the Committee on the District of Columbia, I am Robert W. Sorrell, President of the Urban League of Philadelphia. The Urban League of Philadelphia is an interracial, non-profit, non-partisan community service organization using the tools and methods of social work, economics, law and other disciplines to secure equal opportunities in all sectors of society for black Americans and other minorities. Our mission is to eliminate discrimination and segregation in the Philadelphia area, increase the economic and political participation of blacks and other minorities and, in short, help all Americans share equally in the responsibilities and rewards of full citizenship.

We welcome the opportunity to testify before you today on some of the problems which affect Philadelphia and similar urban areas. Philadelphia is not unique, we believe. In the cities in which these hearings are being held, you will hear testimony reinforcing the contention that our major urban centers are plagued with problems that defy simple solution.

Minorities, the poor and the disadvantaged make up the Urban League constituency. The impact of urban problems on these segments of our population cause us the greatest concern. It follows that the most serious problems confronting this nation and its cities are reflected in the black experience. Although the bulk of my remarks today are given in the context of the impact of socio-economic ills within Philadelphia, bear in mind that everyone is and will be hurt if relevant, appropriate remedies are not found.

In February, the Urban League of Philadelphia released THE STATE OF BLACK PHILADELPHIA 1981. We documented continuing hardships for Philadelphia's largest minority.

Disproportionate numbers of blacks are tied to a lifestyle characterized by high unemployment and underemployment, substandard housing, inadequate educational opportunity, inappropriate welfare standards and poor health. Nearly every barometer that measures the health of the city reveals that the worst inadequacies exist in the black communities of North, West and parts of South Philadelphia.

In these communities, the need for better housing is catastrophic. Unemployment remains at depression levels. Blacks are four times more likely than whites to be victimized by crimes against persons and property.

Philadelphia blacks, who now number close to 700,000 out of a population of 1.8 million, have traditionally been at the bottom of the city's economic ladder. While many blacks in Philadelphia have made progress in recent years, many more face a daily and difficult struggle for survival.

## EDUCATION

One of the most persistent and crippling dilemmas facing Philadelphia today is the crisis in education. The picture is generally one of inadequacy. It is a large financially troubled system with tremendous problems. The formal schooling process is limping along in systems which are poorly funded, often culturally insensitive and undisciplined. The descriptions and problems of public education mirror the minority experience as white students increasingly obtain their education in private and parochial schools. Some black parents who can afford to do so also refuse to trust their children to the public school system. But for most black parents and students, the public school system is the only game in town.

In 1979, Philadelphia schools identified nearly 35 percent of the student population as "functionally illiterate." Violence increased. In that year alone, Philadelphia reported assaults on students rose 26 percent from 344 incidents in 1978 to 434 in 1979.

Many black Philadelphians believe schools in predominantly white neighborhoods are given preferential resources and care. Given prevailing ethnic/neighborhood segregation patterns in Philadelphia, this belief is probably well-grounded.

The U. S. Office of Civil Rights has noted, for instance, that from 1974-77 predominately black schools in Philadelphia offered half as many modern languages courses as did their white counterparts. In 1979, five of six white high schools offered courses in advanced mathematics and foreign languages compared to one of 11 black schools. Until recently, student transfer approvals have been granted more readily to whites. Old fashioned bias, then, is clearly important for understanding a lack of educational opportunity for black Philadelphians.

The most influential "new" development for now and in the 80s in the Philadelphia school process is the city's response to calls for the elimination of school segregation. Philadelphia received notice 12 years ago to voluntarily desegregate its schools, but failed to act with determination on this order until 1979. In 1980, Philadelphia received $5.7 million in Emergency School Aid Act Funds to facilitate its program of voluntary desegregation.

Ironically, with all its 1979 effort, Philadelphia is more segregated than ever. Although the total number of desegregated schools has definitely increased, the total number of predominantly black schools has also increased. In 1957, 61 of Philadelphia's 263 public schools (23 percent) had predominantly black enrollments. In 1979, 111 of the city's 289 schools (38 percent) were predominantly black. White flight -- school transfers, relocation to suburbia, entry into private and parochial systems -- may be heavily responsible for this trend.

The city's public school enrollment of 232,000 is 70 percent black and Hispanic. Of the 8,000 students transferred under terms of voluntary desegregation, 85 percent have been minority. Philadelphia can expect continued white resistance to voluntary desegregation, especially if this term means whites shifting their children to educational settings in or near black communities.

The slow movement toward desegregation, the level of school violence, discipline infractions and demoralization makes a broad "educational" statement to children -- as do dilapidated and unsafe schools, shabby or non-existent texts books and drug traffic in the school corridors and rest rooms.

The challenge is to structure high quality, attractive educational offerings throughout the city to reduce past inequities.

Federal funding is desparately needed to help this process. The role of the federal government in providing the financial resources needed to boost urban area education is fundamental. But in an atmosphere of limited resources, we believe that targeting funds more effectively and the process of monitoring and oversight responsibilities can be an important part of this process.

## HOUSING

As our State of Black Philadelphia report documented, not since World War II has Philadelpnia experienced a housing crisis of today's magnitude. Currently it is estimated that between 400,000 and a half a million Philadelphians need housing assistance.

The city estimated in 1979 that there are some 22,000 abandoned structures and more than 39,000 families living in non-public substandard housing.

Unfortunately, Philadelphia's housing problems have been exacerbated by the federal programs that were meant to resolve them.

For example, the Housing and Community Development Act of 1974 gave federal credence to recyling by stressing "spatial deconcentration" of low income black neighborhood and the revitalization of these neighborhoods to attract persons of higher incomes, usually whites.

In Philadelphia, the two agencies given the responsibility for providing housing for those most in need are the Office of Housing and Community Development (OHCD) and the Philadelphia Housing Authority (PHA). Programs operated by these agencies have contributed to the recycling of the black community. OHDC has carried out its recycling role through the demolition of black neighborhoods. This was achieved by the refusal to allocate or spend funds in black neighborhoods and by failing to design programs to meet the needs of low-income people.

Since the beginning of the Community Development Block Grant Program (CDBG) in 1975, the City's Office of Housing and Community Development has implemented policies and programs which have resulted in the further recycling of black and poor neighborhoods. Programs, such as low cost housing rehabilitation and low interest loans and grants, have consistently been under-funded and under-executed at the expense of administrative costs and center city development.

Between 1975 and 1978, 33 percent of all community development funds were allocated for planning and administration while only six percent were allocated to all housing rehabilitation programs. To make matters worse, less than five percent of all community development expenditures were encumbered by rehabilitation programs during that same time period.

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The low interest loans and grants (currently called Housing Improvement Program) has great potential for arresting recycling, yet between 1975 and 1978, OHCD spent only 4.6 percent of the total community development budget on this program. To this day, millions of dollars allocated to this program remain unspent. The use of the loans and grants program is severely hampered by unnecessary and lengthy administrative delays creating a sizeable case backlog and shortage of contractors willing to participate in the program.

Another example of the city's recycling tactics is the city's extensive demolition program. Since 1975, the city, through OHCD and the Department of Licenses and Inspections, has demolished nearly 8,000 units - mostly in predominately black neighborhoods such as North Philadelphia. The results of this demolition activity are disastrous: (1) numerous poor and black neighborhoods of the city now have a destabilized, bombed-out appearance; (2) many of these vacant lots around the central core are now considered "hot" speculative investments for expensive new construction; and (3) these speculative investments, supported by increased city services and higher taxes have recycled entire neighborhoods.

Black Philadelphians comprise 90.9 percent of the city's 120,000 public housing residents. Living conditions in public housing projects are generally atrocious, dangerous and de-humanizing. Philadelphia's public housing projects are plagued by a multiplicity of problems, including inadequate maintenance, poor security and an administrative policy designed to reduce the population within the projects.

Public housing units in low income communities which lie directly in the path of current recycling activity or on the fringes of middle income communities, have been systematically de-populated leaving these properties available for recycling for middle income families.

In the last few years, the Philadelphia Housing Authority has systematically depopulated several high rise units without concern for developing or locating replacement housing. This has resulted in excessively high vacancy rates for many units, a paradoxical situation in the face of a chronic housing shortage for low and moderate income renters.

Of the 40 public housing developments in the City, only 11 reach 100 percent occupancy. According to the U. S. Department of Housing and Urban Development, the average number of vacant units in all conventional and scattered sites combined nears 10 percent or 1,940 units. More specificially, HUD reported 1,471 vacancies in conventional developments and 469 in scattered sites.

There are 10,000 applicants on the Philadelphia Housing Authority's waiting list for subsidized units; 5,000 persons on the Authority's waiting list for scattered site units (the last application was taken in December 1978); and 1,500 reservations on a waiting list to submit formal Philadelphia Housing Authority applications.

Living conditions for many of the city's public housing tenants are deplorable, yet the city failed to spend two million dollars allocated by OHCD for rehabilitation of scattered site housing in its Year V Community Development Program.

One myth perpetuated by many is that minority Philadelphians have made significant progress during the past decade in the area of housing.

To the contrary in recent years, housing conditions for many black families have declined. Many factors have contributed to the decline including the failure of income among blacks to keep pace with soaring costs of available housing units.

Soaring mortgage rates and less desirable types of mortgage instruments have made the buying of a home nearly impossible for many.

In 1960, approximately 40 percent of black families in Philadelphia were homeowners. In 1970, about 43 percent fit in that category. However, the results of a recent survey by the City of Philadelphia showed that only 27 percent of black families owned their own home.

Low income housing, in today's market, is generally unprofitable. A survey completed this year by the Federal Home Loan Bank Board, found that the average new home in the Philadelphia area cost $74,800 and the average previously occupied home sold for $55,400. In speculative areas like the 2000 block of Spring Garden Street, the range is $130,000 to $200,000.

Racial discrimination in public and private housing is still a formidable part of the housing problems for blacks and other minorities. Recent media attention has been focused on racially motivated acts of violence against black homeowners and renters in white and predominatly white communities in the Delaware Valley.

Minority Philadelphians face a severe housing crisis. Many of their communities are plagued by burned, vacant unboarded and abandoned buildings, over-crowding, lead paint in older buildings and substandard housing. Many of the problems are the result of a lack of city services, withdrawal of private investment funds, racism and unemployment. However, the most severe housing dilemma facing Philadelphia's minority community is neighborhood recycling and displacement. It is clear that a major struggle in housing for the 1980s will be in the area of central city occupancy.

Additional federal funding is particularly needed for renters and those of low incomes who want to purchase their own homes. In addition, the invovlement of the private sector in rehabilitation efforts is sorely needed.

A third area of increasing concern is the critical problem of youth unemployment faced by urban areas.

As unemployment in these inflationary times continues to increase, the competition for scarce jobs heats up and the fallout affects blacks and youth disproportionately.

The unemployment rate for black teens more than doubled between 1954 and 1975, increasing from 16.5 percent to 36.9 percent, but the white teens' jobless rate remained at approximately 14 percent.

From 1965 to 1978, the percentage of young black men in the job market declined from 83 to 66 percent. At the same time, there were more white youth and black women in the job market, either working or actively seeking jobs.

There are no surveys of black teenage unemployment in Philadelphia. However, our educated guess is that in 1979, the unemployment rate among Philadelphia's black youth was in excess of 45 percent.

Many young blacks have turned to federal job-training programs for relief. The U. S. Department of Labor concedes that these programs have barely made a dent in the jobless rate of black youth, but at least, they have held back a bigger tide of unemployment.

Labor Department officials say that federal programs accounted for most of the jobs increase for young blacks between 1977 and 1980. In the late 70s, employment expert and economic analyst Dr. Bernard Anderson, said that if the federal employment programs were taken away, the effect would be disastrous.

Already cutbacks in CETA funding have made a negative impact on Philadelphia, Thousands of people have returned to the unemployment as a result of CETA cutbacks.

We contend that CETA was a good program, needed,as are most federal programs, to be targeted and monitored for enforcement and program efficiency. The emphasis in CETA programs should be on on-the-job training experiences targeted at unemployment and the under-employed.

The historical concentration of young blacks in slow-growth blue collar employment will adversely affect their employment in the 80s. If there is a solution to the problems of unemployment in our major urban centers, it will lie in planning, preparation and commitment to change.

I have been asked to include as part of this presentation some thoughts on how federal assistance to the cities has aided or hindered the implementation of solutions to urban problems. In general, federal assistance in the past has helped, rather than hindered the efforts of social and city planners to address the problems of their communities. However, there have been federal programs and services that seemed to impose barriers to effective programming and/or implementation of needed services. The federal housing programs mentioned earlier cause harmful results.

In Philadelphia, direct federal assistance has been used in all four of the identified social problems that I have spoken about, as well as a few other areas not mentioned: including health care, mental health/ retardation programs, environmental health services, income assistance to families such as AFDC, food stamps, Medicaid, rent subsidies, family planning, day care and headstart programs, transportation, etc. These funds have enabled cities to provide services to more of their citizens, not just the disadvantaged. But especially for the minorities and the poor, they have provided a means of entering mainstream America.

Notwithstanding, there have been some weaknesses in federal funding to the cities. The major fault of most federal funding streams for programs and services is that they are not targeted as specifically as they might be, and/or are weak in monitoring and enforcement.

It appears that under the present administration we are not going to experience a correction or elimination of these weaknesses, but rather we are faced with an "economic recovery program" that will not only reduce federal aid, but will pass it through the state administrators and politicians to the urban areas. The priorities of the Reagan economic recovery plan -- cutting federal spending, reducing taxes, and giving more flexibility and control to the states in the determination of what is funded and by how much -- are not and cannot be our priorities. From our perspective as an agency that works with and for the urban minorities and the poor, these administrative priorities will result in negative reactions culminating in fear, despair, and angry frustration in the lives of our constituency: (1) A lack of faith and trust in the government's ability to provide services based on needs; (2) A reduction in the commitment to equal access and protection and opportunity that is rightly the province and responsibility of federal government; (3) A return to the "Boot-Strap" concept--with no boots; and (4) a feeling of new negativism on the part of the middle-class silent majority that says "We have done enough".

We are particularly concerned over the consolidation of many categorical programs into block grants, which we view as a return to the "states rights" principle which has been detrimental to the interests of the minorities and poor. The experience of the revenue sharing programs--a precursor of today's emphasis on block grants--amply demonstrates the politicalness of such a funding process, which often results in minorities and other disadvantaged groups not being reached by monies that are in effect untargeted. Furthermore, consolidation into block grants will eliminate crucial federal responsibility and oversight for the statutory and regulatory enforcement of the legal protections for the most vulnerable. The proposed abolition of federal funding for the Legal Services Corporation will erode those legal protections even more.

Minorities and the poor, predominantly urban residents, will bear a disproportionate amount of the burden that will result from the 1982 budget reductions. In turn, the problems that urban administrators will have to cope with will be correspondingly larger and more serious, and correspondingly less monetary and human resources will be available with which to attempt to solve those problems.

An underlying assumption of the Reagan plan to reduce federal spending for block grants is that the costs associated with federal procedures for record keeping, procurement, administration, and enforcement will diminish. They note, for example, that 13 percent of the federal funds for elementary and secondary education assistance programs now goes to the administrative costs in the state and local educational bureaucracies. Therefore, they reason, if the various categorical programs for educational assistance to state and localities are consolidated into two block grants, a considerable portion of that 13 percent will be saved. The remainder of the 25 percent reduction in federal funds is to be achieved through prudent management and cost containment techniques at the state level as the block grant funds are administered.

A basic flaw in the administration's assumptions is that apparently the administration did not take into account the effect of inflation added to a 25 percent reduction in federal funds. Assuming a minimal inflation rate of 12 percent, the effective rate of reduction is more likely to be 37 percent. Nor can we be as optimistic as the administration that the necessary procedures associated with block grant funding will cost less at the state level than at the federal level. The Consumer Coalition for Health estimates that state administrative costs for funding and implementation of health programs under a block grant structure may well eat up 15 percent of the grant, as it seeks to develop and maintain bureaucratic procedures for administration, monitoring, evaluation and enforcement.

Aside from the monetary considerations of the impact of block grant funding, there are other problematic areas to be dealt with. Our cities cannot wait for the administrative procedures to be developed at the state level for the priority setting and allocation of block grant monies. We can only anticipate major disruption and serious reduction in the quality of human services in the City of Philadelphia. Funding for many programs may stop entirely while the mechanisms are being developed and implemented. A reduction of services formerly funded under categorical grants due to delays in transition to block grant funding will have disastrous effects on the minority and low-income persons, forcing many of them into further economically, socially, and politically depressed conditions. Secondly, there are no federal guidelines or suggestions relating to how the states and localities would proceed to administer block grant funding. Further, given the administration's desire to do away with some of the regulatory agencies and/or statutes, the assumption that federal minimum standards would be maintained and that the states would or could be held accountable for their use of federal funds seems unrealistic.

Thirdly, and perhaps most importantly in relation to the problems of urban centers, there have been no mechanisms developed for input into the priority setting of goals and objectives in a state plan for the allocation of funds. Will urban metropolitan areas be forced to compete with rural areas in a state which is predominantly rural? Will the eastern regions of this state find itself pitted against the western region in the competition for scare dollars, as has been the experience in the allocation and administration of Title XX monies? Will politics become the deciding factor in solving human service problems, no matter where they are encountered? Polorization of regiona, classes of people, races, etc., will only be increased if the inequities of opportunities continue to grow in even larger gaps.

The present administration is considering the establishment of "job and enterprise zones" as a strategy for inducing business development and private sector investment in economically distressed areas. Such a concept has some promising possibilities. We feel that the following considerations would strengthen the effectiveness of concept of enterprise zones as a way of stimulating economic and job development activities. As conceived the Kemp-Garcia bill should:

1. Reinforce and strengthen already existing effective economic development efforts in economically distressed areas through Community Block Grants, UDAG and EDA grants and others.

2. It should not attempt to create zones as small as census tracts. It would be desirable to have an entre central city as a "zone" in which selected neighborhoods would be demonstration target areas. Special incentives might be provided for target areas to insure that economic development efforts in those areas were not in conflict with a more comprehensive development plan for the entire city.

3. Tax credits for minority businesses in these target areas should be refundable.

4. Small businesses, especially minority businesses should have the option of receiving wage subsidies for hiring long-term unemployed community residents.

5. The economic and job development plan for a target area should be developed with the major involvement of community based organizations with proved capabilities in economic and job development in inner city areas.

In the final analysis, the current administration budget will simply compound the social ills and problems of the urban centers. Many of the disadvantaged --the minorities and the poor--will find themselves moving from a state of marginal independence into the safety net. Many of the low and middle-class will move to a state of marginal independence. Put in another way, both of these groups will no longer aspire to be upwardly mobile--reality may soon be that of a downward mobility.

If the cuts prepared by the Reagan budget are authorized, industrialized sectors of this country, namely urban centers, will be severly financially burdened, because the solution of raising taxes to fund services, always doubtful at best, is simply not feasible in light of the high cost of living.

As stated in my introductory remarks, many of the old strategies for combating urban problems will no longer work, but we must be deterred from developing new ones, strengthening established approaches where appropriate, and expanding them by instituting new opportunities for city residents. In the limited time allowed for this presentation, it is impossible to elaborate on each new and old approach either already developed, in the planning stage, or simply a product of creative thinking.

As an agency that focuses on the problems of employment for minorities and the poor, we have done some research and analysis on the development of minority businesses and community development projects which generate jobs and consequently, capital for the minority community as well as for the larger urban center of which it is a part. We believe that the socio-economic problems of the minority and the poor can be alleviated in some measure through increased development in these areas to provide jobs for the long-termed unemployed of low and moderate skills.

Mr. **Gray**. Let me begin the questioning by referring to your statement that you are concerned that the States will not be able to provide what the Federal Government has been providing in the past. As you know, part of the economic proposals that are being suggested are large block grants which would go to State agencies and to local agencies, with the primary amount going to State agencies.

Could you spell out exactly what you mean by your concern about States not being able to protect the poor?

Mr. **Sorrell**. Well, let me give you an example—two examples. One is with the current involvement with the block grants that are already in place, the community development block grant. In Philadelphia there has been continuing disagreements on how those funds should be spent. The current administration and the past administration has continued to put a lot of money in center city development, when on the other side there have been outcries that that money ought to go into generating housing for lower income people. It should also be going into developing neighborhood businesses instead of center city businesses. So there is disagreement in terms of priorities.

I think the same thing would exist if the money were to flow through the State, where you have a government unit farther away from Philadelphia where some priorities have to be made up.

If there is a 25-percent reduction in the funds plus 12-percent inflation, you are talking about approximately 37 percent less money. There are going to have to be some priorities in terms of how the money should be spent, and is State government better prepared to set priorities for Philadelphia as opposed to Philadelphia?

Mr. **Gray**. One of the arguments that is being utilized for the promotion of the block grant approach at the State and local level is that it will bring the decisions on how to spend that money closer to the people who will be the beneficiaries or whose lives will be affected. Do you agree with that statement, that by giving large block grants to the State, and to local government, that will necessarily mean that local citizens at the city, county or State level will have more input in determining where those dollars will go?

Mr. **Sorrell**. In general, no. I think it depends on who will participate. Those who vote will participate, those who contribute to campaigns will participate or have some influence. But I don't think it will give more influence from the poor or, in general, from the poor or black people as to what the priorities are going to be.

My example would be just over the past 2 years our Governor has been trying to institute what he calls welfare reform. It basically amounts to terminating, in Philadelphia, 40,000 people from the public general assistance rolls. That is coming from State government. So I don't think State government has demonstrated its capacity to take care of or to want to take care of the needs of poor or black people.

Mr. **Gray**. Earlier today on our housing panel we had testimony with regard to the cutbacks in housing, that would cut down the overall supply, particularly to low-income people in urban communities. Would you agree with that assessment in light of the statement that you made—supply is the problem in housing. Do you see the cutback in housing from 250,000 subsidized units to 175,000 subsidized units as applying more inflationary pressure in the housing industry and basically affecting the low-income persons the most?

Mr. **Sorrell**. Exactly. I think it is more of the same. We have in better times had moneys coming into Philadelphia that could have been used for such programs that I think would have helped the poor by providing low-cost interest loans for housing rehabilitation, and also for the acquisition of housing. But those funds largely have not been utilized. And now with the reduction in funds, I think that you have pretty much more of the same coming out of city and also State administration. Again the administrations have not demonstrated that they really want to do something about this problem, even when they had some wherewithal.

Mr. **Gray**. In terms of unemployment, you mentioned that the real question is the nature of jobs or the types of jobs available. As you well know, the President of the United States, several months ago while in New York, held up a section of one of the New York newspapers, classified ads for jobs that were available, and said that surely with all of these jobs available being advertised in that New York paper—I don't know which one it was—that the real problem is that people just have to go and find these jobs.

Is that a correct assessment, that there are jobs available in places like Philadelphia and New York as seen in the want ads, and all one has to do is go out and find those jobs? Or are you saying something——

Mr. **Sorrell**. No, just the opposite. The statement that I made was that the supply of jobs and the nature of employment in Philadelphia, and I think across the country, the jobs are more technical in nature, require a different set of skills than those jobs in manufacturing, which is the industry in Philadelphia which is decreasing, where one could access those jobs with limited skills, without an awful lot of difficulty.

Now those jobs require college degrees. If you look at the want ads, you will see the largest number of jobs are jobs such as systems analyst, where you don't take a person out of the garment retail industry and move them into a position as systems analyst without an awful lot of training, if at all.

So the nature of work in our society is changing, and the population that is being displaced does not and cannot compete for the jobs that are available—not without an awful lot of training.

Mr. **Gray**. So you are saying that the jobs that are available in newspapers in Philadelphia, in New York, and the example of the President holding up the want ads, are jobs that require a great degree of skill and training, and that really don't address where the unemployment is in urban America?

Mr. **Sorrell**. Exactly.

Mr. **Gray**. Thank you. Congressman Dymally.

Mr. **Dymally**. Mr. Sorrell, this is not really a question. It is a comment on an observation you made and you are free to answer or not. You are the second witness today who made reference to the enterprise zone. I have been in the Congress approximately 6 months. I am not so sure I understand it. I recognize my comprehension in these complicated Republican matters is not very keen.

When you look at the causes of inflation, four major causes—health, energy, food, housing—do you see anywhere where the private sector is going to move into Watts and rebuild that community with factories and affordable homes? What is meant by the enterprise zone? If you can enlighten me on the subject.

I know your national executive director wrote a column. I was tempted to write him and tell him to be somewhat cautious about embracing these new concepts. I have not found anyone in 6 months to explain to me what the free enterprise zone is and what is anticipated, what's the structure of that whole concept. I am afraid that we might be falling prey to good conservative propaganda about it. So I just want to express a little of my own personal caution about it.

Perhaps I ought to take time to talk with my friend, Congressman Garcia, so he might enlighten me. But I have not been able, in any public literature, to get a full understanding of the enterprise zone—besides my own skepticism that the private sector is going to do it all. I don't see them coming into Watts, or in this section of Philadelphia, to rebuild the city.

Mr. SORRELL. I think cautious optimism is how I would characterize a reaction to the Kemp-Garcia bill for the enterprise zones. But as I understand the concept, it is identifying an area within Philadelphia, or it could identify Philadelphia as the area, as opposed to Valley Forge or some other surrounding community, and say, "Let's try to attract business and industries into this area." The proposed bill says the area could be as small as a census tract. We think that would not be correct for a city such as Philadelphia. You would need to target areas such as north, west, and south Philadelphia. But by using incentives such as tax credits, an attempt would be made to draw businesses into these areas, offering them not only tax credits but also subsidies for certain employees. Employees, for example, that may come out of the CETA training program. But a package of tax credits would be offered to attract employees into certain areas.

Now, maybe that starts to make some sense when you take a look at the cost of transportation, when you take a look—in particular transportation. When employees have to move from Philadelphia out to Valley Forge or some of these other industrial parks that spring up around Philadelphia—there is an awful lot of that that goes on in this area.

Now, I certainly would not sit here and say that we think it will work. What I think our response has been, is that it is worth investigating—anything is worth investigating if it will provide some jobs in this area.

Mr. DYMALLY. Tell me the truth. If you were white, conservative, M.I.T., Ph. D., head of a semiconductor company, would you really go into the central city?

Mr. SORRELL. If you made it attractive enough, I might consider doing that.

Mr. DYMALLY. Considering the incentives in the Sun Belt States, the right to work, tax holidays?

Mr. SORRELL. At least as I would perceive the bill, we are not talking about attracting businesses from the Sun Belt. Philadelphia has an awful lot of businesses that locate across the city line.

Mr. **Dymally**. I'm talking in terms of national thrust.

Mr. **Sorrell**. My remarks are based upon the impact on Philadelphia, and what it might mean to the Philadelphia economy. There are an awful lot of businesses that decide to locate in this area, and they can locate across the city line. There are distinct advantages to that. One is that your employees don't have to pay the city wage tax, which is over 4 percent. They have all the advantages of being located in this area. They can have access to the same transportation networks. But they can cut the cost of doing business by locating just outside of Philadelphia. I think what the bill means to me—again, I'm saying anything that might do something about improving this economy is worth taking a look at, because I believe jobs are the No. 1 priority.

Mr. **Dymally**. In conclusion, Mr. Sorrell, "cautious optimism" is an oxymoron, which is a contradiction.

Mr. **Gray**. Congressman Dellums.

The **Chairman**. I have no questions, Mr. Chairman.

Mr. **Gray**. Going back to the urban enterprise zone—you mentioned that you saw some problems vis-a-vis the tax credit provisions which basically provide tax incentives for social security taxes, with a two-tiered system for youth employment providing greater incentives for the hiring of youth as opposed to those much older. What were the problems with the tax credit that you saw?

Mr. **Sorrell**. Well, one would be whether or not could the city of Philadelphia afford to give the tax credits. One of the problems that the current city administration has is a declining tax base in Philadelphia. Not enough revenues are coming into the city coffers to support the services needed. Could the city afford to give new industries these large bundles of tax credits or benefits to attract them into and not be increasing the tax base to pay for city services?

Mr. **Gray**. What if the urban enterprise zones were primarily targeted toward areas where there is open land, vacant land, where there is no tax collection on that property now?

Mr. **Sorrell**. That might help—where you are collecting nothing currently. I don't think anybody has the numbers. I think what our organization's position has been, that it is worth taking a look at.

Mr. **Gray**. Thank you very much, Mr. Sorrell, for your testimony. We appreciate your coming. We are sorry for the delay before getting to you. Thank you very much.

Mr. **Sorrell**. Thank you.

Mr. **Gray**. At this time we call the employment panel—Elmore Johnson, executive director, Hartranft Community Corp.; Dr. Kate Donohue, member, Executive Committee, Women in Work Coalition; and Debora Roye, member of the African America Mothers.

If you will come forward, we will begin our testimony on employment.

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## STATEMENTS OF ELMORE JOHNSON, EXECUTIVE DIRECTOR, HARTRANFT COMMUNITY CORP.; KATE DONOHUE, MEMBER, EXECUTIVE COMMITTEE, WOMEN IN WORK COALITION; AND DEBORA ROYE, MEMBER, AFRICAN-AMERICAN MOTHERS

Mr. GRAY. We would like to, again in the interest of time, remind you that your written testimony will be submitted fully in the record. We would like to ask you if you will please to stay within a 3- to 5-minute summary of the high points of that testimony. And, of course, during the question and answer period we will be getting into the depth of your written statement. I will turn the chair over to my colleague and the chairman of the District of Columbia Committee, Congressman Dellums.

The CHAIRMAN. Mr. Johnson, you may proceed.

Mr. JOHNSON. Mr. Chairman, members of the committee, my name is Elmore Johnson. I do not come here to pretend to be an expert on youth employment or housing or crime or any of the other areas mentioned in the transmittal. However, I would like to share with you some personal experiences in terms of what I see on a day-to-day basis in a number of the neighborhoods and communities of Philadelphia.

The same trends and problems can be found in all large urban areas. And I would venture to say that a number of the problems that are experienced in Washington, D.C., are also experienced in Philadelphia, and vice versa. Both of them are magnificant cities, but Washington does have one problem that Philadelphia does not have, and that is taxation without representation for the District of Columbia.

In relationship to Federal legislation, there are two primary pieces that I would like to address. One would be the CETA Act, and the other one would be the community development block grant.

In my way of thinking, these two pieces of legislation have had more impact, or have the potential of having more impact, on inner city communities than virtually all other pieces of legislation that come to mind.

As you know, the CETA legislation has been drastically cut and reduced. The community development block grant will probably fair a little better than CETA. But the kind of benefits that could have been derived if properly applied in neighborhoods and communities such as the one that I represent, the results could have been beneficial, not only to our residents, but to the city and the Nation as a whole.

In relationship to youth unemployment, I don't think that we have the luxury any longer of neglecting the needs of our young people. When you look at the priorities that have been set forth for the country, and year after year and day after day the youth don't consider themselves a part of that priority, then I think we are heading down a road to destruction. When we look at our young people as the future of our country, and we don't give them the kind of incentives for the programs, or the proper training and education that they should have, then really what we are saying to them is that you really don't count.

You know, personally I think this is probably one of the most intelligent generations of young people, probably one of the most mature. I know it is one of the best looking generations. But it is also probably one of the most underprivileged in relationship to those things that have been made available to them.

In terms of the extension or the recent House vote on the CETA legislation, where the youth bill will be continued through September of 1982, that in itself is very good as a holding measure, but it is not the solution. I would hope that the Black Congressional Caucus and the Congress as a whole would seek to address and eliminate those problems that are confronting our young people today.

I will be glad to answer any questions. There are a number of other points that are contained in the testimony. But to adhere to the time frame, I will stop here.

The CHAIRMAN. Thank you very much, Mr. Johnson.

[The prepared statement of Elmore Johnson follows:]

# Testimony

Presented to The

U.S. House of Representatives-Committee on the District of Columbia

June 15, 1981

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Mr. Chairman, and distinguish members of the Committee, I come to you today not as an expert on any of the particular subjects to be discussed, but as a community professional interested in the future of America and our Urban cities.

The comments I'll offer come from first hand experience with Philadelphia neighborhoods and communities simular to the Hartranft Community which I am representing here today.

Having had the opportunity to visit Washington, D.C. and to see vast areas of the city away from Capitol Hill, and though just as Philadelphia, it is a magnificant city, both cities share virturally the same major urban problems with unemployment and inadequate housing leading the way. Washington does however, have one problem that we don't have taxation without full federal representation, and that should be corrected immediately.

The two fundamental federal assistance programs which most inner city communities could readily identify with in recent years are, the Housing and Community Development Program and the Comprehensive Employment and Training Act (CETA).

Both programs have the ability to create tremendous benefits for low income communities, neither has reached that full potential in Philadelphia.

While the Community Development Program will fair somewhat better, including extension of the Urban Development Action Grant (UDAG) Program, CETA will have no such luck.

Under the present structure, Philadelphia's program loses more than 50% of its' funding with some major redirecting of its' program efforts, presently taking place. Approximately 4,000-5,000 Philadelphians have been directly affected with the loss of CETA emplpyment and thousands more will ultimately experience an indirect negative impact as a result of budget cuts.

While many will argue that the American public has expressed a desire for less government spending, the Administration and many members of Congress have greatly misread the mood of our nation's citizenry. It gave no authority to completely cut and butcher our domestic system! It didn't ask that 300,000 additional people be put out of work and for the poor and needy to lose basic daily benefits. It did ask for and supports adequate defense, but didn't ask for the largest military build-up since World War II at a projected cost over the next five years of $1.3 trillion.

Americans take pride in being a strong defense ready nation which can adequately protect our country, and likewise lend a helping hand to underpriveledge nations, but this administration and Congress will also come to know we are a nation that prides itself in being able to take care of our own; and the present and proposed excessive and discriminatory budget cuts will ultimately undermind our ability to do this.

When we lose our parents and grand-parents, we lose our past, but when we lose our children, we lose our future!

America cannot afford to lose or refuse a whole generation of our youth.

Today's youth, I feel are a much better looking generation, probably a more intelligent generation, a more inquisitve generation, certainly a more mature generation. But on the other hand, they are also the most unfortunate and underpriviledged as it relates to National Resources and National Priorities. When we can spend more on missiles than education, can spend more on energy resources, than we can on Human Resources, when we can spend more on incarceration than rehabilitation and prevention, when we can spend more on government studies and consultants than on employment and training then something is fundamentally wrong. When crime families are publicized more than honor students, and we spend more time trying to figure out what to do with the unemployed, than developing gainfull employment opportunities for them, something is wrong. Even as we sit here today, discussing youth employment, while in the same households, mothers and fathers of the same youth are unemployed, something is wrong.

When the U.S.Attorney General advocates the establishment of an "early warning system", to detect the possibility of racial violence this summer over the administration's budget cuts in social programs, to me it almost admits up front that the cuts are not only unfair, but discriminate against the disadvantaged of our society.

When we start to talk about tax credits to offset the cost of private education while public school systems filled with minorities who have no other alternatives go begging, and congress itself approves a $20.9 billion stop-gap spending Bill that increases defense funds but cuts money from domestic programs and demands that waste and inefficiency be eliminated from social programs, but virtually ignores the balance of our federal bureaucracy, something is wrong!

The National Budget of American cannot be balanced on the back of this nation's under-priviledged. When you're talking about millions of people, including the youth, living in urban cities, without jobs, with less food, money, and more day to day frustration, somehow the phase "Nation Security" seems somewhat of a joke!

As one who has served in the military and also vietnam, I do not take our nations' security lightly! I strongly believe we must have adequate defense capabilities.

Many of today's youth feel the same, but after seeing how this country turned its' back on vietnam vets, some of which were their own brothers and relatives, they have not turned to military service as an alternative to unemployment. Also, one of the prime inducements and benefits, the GI Bill, grants for education was eliminated by Congress in 1976.

The poor are being unfairly blamed for the economic crisis in America, and likewise being unfairly penalized by these massive cuts in social programs.

The explaination, that this is being done to stimulate the economy and create more jobs is suspect. In fact it would seem just the opposite; more unemployment, increased crime, increased frustration and more social problems.

Ethically and morally, it is wrong to place such a heavy burden upon the least fortunate of our society.

It is no wonder some type of rebellion is anticipated by the U.S. Attorney General. But I don't sell the American people that short,. sure there will be hard times, however, we will as a nation for the most part survive, but not all of us. I think the rebellion will take two different forms. First, at the polls on the local, state and national level where our elected officials are now playing God with the lives of millions and too often present their own views instead of those that they represent.

Second, by the youth of this nation, who will come to see a system that has repeatedly made them less of a priority and fails to adequately address their employment and training needs.

Youth age 14 to 21, represent approximately 15% of the total population of Philadelphia and currently faces a crit[illegible] unemployment rate which in some neighborhoods reaches 40 to 60%.

The majority of these youth would prefer to work, but are virturally denied for lack of employment opportunities.

The Youth Employment Demonstration Projects Act established in 1977 represented a major public response to an emergency situation and the special needs of unemployed youth. It also indicated a public acknowledgement, at least in law, that the nation didn't really know much about the problem or how to solve it but was willing to use public resources to find out. As one study indicates, YEDPA accounted for almost all the employment growth for minority teenagers in the last two years. Yet this was a "Demonstration Act", premised on the notion that we needed to experiment and evaluate further before committing ourselves to permanent policies; now we are instead looking at elimination.

The youth unemployment problem continues to be one of the nation's most significant and chronic social problems. For example youth unemployment is twenty % and unemployment among minority youth is forty per cent, both of which are considerably higher than the national norm.

Since the enactment of YEDPA, Philadelphia has directed its program planning and funding toward providing a mix of employment and training opportunities for disadvantaged youth - both in-school and out-of-school. In 1980, approximately 4500 youth were served during the summer. Approximately 82% of youth who participated in programs were in-school or had completed school while 18% youth were school drop-outs.

The predominate employment and training activity for youth was subsidized work experience in jobs with non-profit organizations. Classroom training educational skills improvement was the second most frequent offering. Institutional classroom skill training and on-the-job training were available to few youth under the youth programs. Youth, however, did participate in skill training offered through CETA programs not specifically targeted for youth. In this later category the large majority of these youth were between the ages of 20 and 22.

In Philadelphia, the philosophy that has informed both program planning and funding decisions has been to focus on the "supply side" of the youth unemployment problem - i.e., the characteristics and problems of unemployed youth. Programs have stressed "employability development" - i.e. services that help to motivate youth, provide them with favorable attitudes toward work, instruct them on how to conduct themselves in the "employers" world and training in basic job keeping skills. Significant emphasis also has been directed to providing basic education by offering assistance to youth to stay in school and special programs to prepare youth to complete a General Equivalency Diploma. This emphasis on job-readiness and employability development is in many respects consistent with the overall national policy perspective on youth unemployment.

Four groups within the total population of youth have been found to have the greatest difficulty in making a successful entry to the labor market: young women, high-school drop-outs, minority youth and poor youth. Youth who fall within two or more of these groups have a much more difficult chance in finding a job. The statistics reported in the Vice President's Task Force on Youth Employment revealed that hispanic and black youth who have dropped out of school have the highest unemployment rates among all youth i.e. 37% and 32% respectively. The drop-out rate in Philadelphia Schools argues for a much greater emphasis on programs and funding for out-of-school youth.

A recent Department of Labor report entitled "Why Kids Drop Out of Hich School", likewise shows that more and more teenagers are dropping out of school before graduation.

Deficiencies in academic functioning has become a major problem. It has been found that:

- According to the results of testing conducted by former AMPC sites, a high frequency of participants entering training programs were functioning at or below the fifth grade level in reading and/or math. (Office of Employment and Training, 1981)
- Results of the AMPC testing also indicated that additional job training appears to be an essential factor in securing successful employment. (Office of Employment and Training, 1981)
- Nationwide data reports that although 90% of youth continue to the secondary level in the educational system, only 75% graduate. (Office of Employment Security, 1980)
- As expressed by the Office of Employment Security, (1980), over two million youth between the ages of 18 and 19 lacked high school diplomas. It was also determined that in Philadelphia county, 59.5% of the population completed less than a 12th grade education and 334,000 Philadelphians would be classified and economically disadvantaged (Office of Employment Security, 1981).
- Increased education affects the earning power of individuals. For example, a youth completing 1-3 years of high school increased his/her salary over the base line by 44.4%. It was also found that individuals completing 4 years of high school increased their salaries by 73.8% (Office of Employment Security, 1980).

One can readily see the need for programs which has as a part of its' focus on a remedial population.

Education needs to be emphasized, however, while the magnitude of school drop out will require some redirection of funds for year-round programs away from youth attending school, the summer program and all youth programs must continue to emphasize the need for completion of education in reducing unemployment. The statistical association between completion of a high school education and success in the labor market reinforces the necessity of concentration the resources and programmatic activity of the summer program or motivating participants to the absolute necessity of education for work.

Special targeted programs for youth are needed but they must be linked more effectively with other C.E.T.A. employment and training activities. The unique needs of youth in making their entry in the labor market, supports the need for continuing programs targeted to youth and structured in ways that best serve there needs. There is a greater need however, to organize the entire employment and training system in a way that can provide a more comprehensive and consolidated approach to service delivery to address the skills training and continuing educational needs of youth.

Consolidation and stadardization of individual client planning, client monitoring and advocacy will help to enhance the effectiveness of the employment and training system for youth, and these practices will go a long way in controlling the progress of youth toward finding a job.

Education is vital - but more effective use of non-C.E.T.A. resources, will be necessary.

As noted above, the positive correlation between the completion of a high school education and success in the labor market underscores how important remedial education, alternative education, G.E.D. programs and literacy training areare to an employment and training system for youth. To make more efficient use of C.E.T.A. funds, however, require greater efforts on coordinating with other institutions that are mandated and perhaps better equipped to provide these services.

The city and the community need to work collaboratively in developing a intergrated strategy for youth development that bring agencies together and provide training to offer services that focus on basic life skills and resources that give youth some constructive options for development.

Employability Development and Skills Training have to be balanced by the creation of more job opportunities for youth.

The problems of disadvantaged youth in enhancing their position in the labor market has to be assessed against the actual availability of jobs in the labor market. The placement rates and "past program" status rates of current youth programs clearly indicate that there is little balance between developing youth and developing job opportunities for youth once they are ready to work.

The Summer Youth Program must focus on a sequence of employability development activities for youth 14 to 17 and provide an entrance to career-readiness training for youth 18 to 21.

The Summer Youth Employment Program has the capacity to impact on more disadvantaged youth than any other program in the City. To be effective, the city's program has been disigned and organized in a way that provides youth with various programmatic and job exposures over three summers so that youth will be equipped to compete for unsubsidized employment in both summer and/or year-round.

In addition the summer program has the capacity to reach significant numbers fo youth who are out-of-school and out-of-work and to bring them into a network of services that can begin to address their employability problems.

C.E.T.A's role in-school is to promote access to the other "educations" - vocational education, carreer education cooperative education and general education.

In addition to providing after school work experience and employability counseling, a CETA sponsored in-school work program could be effective in focusing on drop-out prone youth. Programs would be effective for disadvantaged youth if they served as mechanisms to connect these youth with vocational education, career education and other school based programs. Client recruitment, skills assessment, orientation and individual client and system advocacy would be the purpose of such programs within the school system.

An integral part of Philadelphia's Office of Employment and Training Program for youth is the Summer Employment Program for economically disadvantaged youngsters, designed to provide meaningful work experience, classroom training, and vocational exploration programs.

However, still a major concern is the lack of sufficient funding to provide services to the more than 60,000 youth who are even eligible for SYEP, thereby, excluding approximately two-thirds of this group.

Out of school youth, either finished high school or high school drop-outs continue to have difficulty in securing permanent employment due to present state of the economy, and more aggressive efforts will have to be undertaken to involve this segment in employment and training programs. If we are to address youth employment in any significant fashion.

Present Objectives of SYEP are:

-To provide financial assistance to youths between the ages of 14-21 who qualify under federal economic guidelines

-To give young people the opportunity to gain good work experience and to develop useful work behavior patterns and basic skills; and

-To produce useful services and improvements for various communities and its' residents.

Under the present local administration, the effort to employ young people during the summer has been significantly increased and has been verbalized as well as demonstrated that youth are a priority of this City, but although massive summer employment programs are a part of the solution, it in itself is not the solution.

A more long range, year round activity must be put in place, especially to address the employment and training needs of the many 18 to 21 year old youth who are out of school.

To deny opportunity and assistance to our nation's youth at the start of their employment career is a mistake we can no longer afford to tolerate.

When local government identifies youth as a priority, the proper supports must likewise be available from state and federal sources.

It is digusting when obvious situations which deserve proper attention are not projected as priorities for our country.

Youth, as the future of America should be a national priority. Yet, we see the abolishment of the White House Conference on Children and Youth, cuts in the CETA legislation, education, which includes continuation of grants in special education, vocational education, youth training and employment, and guaranteed student loans. We see cuts in the food stamp program as well as child nutrition programs. We see the toleration of substandard housing while millions are cut from subsidized low-income housing funds, cuts for drug law enforcement when a large percentage of crime is drug related, and the list could go on and on.

Certain areas should be obvious priorities for our nation, with youth, ederly employment, inflation, housing, education, health, etc., at the top of our domestic priority list.

Many of these areas have never been, nor did they become priorities at the local and state levels without some federal intervention. If they were not priorities before, what makes you think that the Block Grant approach, with even less dollars will make them priorities now?

The Block Grant approach is too simplistic and must be carefully weighed by Congress. When federal dollars are involved, then the federal government must maintain some control or at least set standards over how those funds are spent. More important is the legislative intent of Congress and the national priorities set by Congress being distorted, misinterpreted or all but vaguely eliminated in a Block Grant approach.

If the administration's position is however, accepted that state governments being closer to the people must be given more control over federal dollars, an even more convencing arguement can be made for large urban cities such as Philadelphia and if Block Grants are to be used, they should come directly to local government.

Likewise proposed restructuring of the Community Development Block Grant Program must be analyzed both in relationship to potential losses of Revenue by Philadelphia as well as input by Philadelphia citizens.

Major changes from existing law have been proposed which will impact Philadelphia's program if approved, as well as to nationally decrease funding in F/Y 82 and F/Y 83 by approximately $ 1 billion each year.

Philadelphia has just started to secure UDAG Grants and we can oly anticipate that they will be beneficial to our communities. In order not to dilute or compete with present CDBG funds, UDAG must remain a separate program.

Reduction in the Secretary's Discretionary Fund as well as proposed change in formular (70% to entitlement communities; 30% for states as opposed to existing law which provides for 80/20 funding split) would impact Philadelphia's program.

Major changes in eligible activities would limit not more than 10% of Philadelphia's grant could be used for public services, however, this could be waive by the HUD Secretary for the next three years for communities which currently expend more than 10%. while existing law which provides that public services may only be funded if necessary or appropriate to support other CDBG activities would be eliminated.

Also, the administration proposes to add as a new eligible activity to permit localities to use CDBG funds for assistance to private businesses in support of economic development projects; whereby existing law limits such activities to public or private non-profit entities.

Lastly, the proposed changes in the Application and Review Requirements are of major concern in that they will all but eliminate any effective citizen participation as it is known today.

Other pertinent housing issues relate to the elminiation of Section 701 Planning Grants and Neighborhood Self-Help Development Grants, number of assisted housing units, 312 rehabilitation program and weatherization authorization and rental income ratio, which is proposed to be increased from 25% to 30% of tenants income.

Individually these proposed changes could have some impact on Philadelphia, collectively they could be devastating!

Congressional votes however, tend to shape the destiny of these two beneficial pieces of legislation.

First, the Senate Bill extending basic Housing and Community Development Programs through 1983, including extension of UDAG was passed and sent to the House.

Second, the recent vote regarding youth jobs where the House passed a Bill keeping only the youth section of CETA in operation through September 30, 1982 and is only a temporary holding measure unless renewed by Congress as a final step. Even in this vote, there were 84 House members who did not favor continuing to provide youth jobs under CETA through fiscal 1982. These 84 who are so out of touch with what is needed in our cities must be convinced or replaced.

What has happened to us as a Nation? When people helped and cared for one another; when we strived to take care of our young and old alike? Has one election, all of a sudden allowed us to sink to a point where we can write off for now certain segments of our citizens, and then if by some miraculous chance they happen to still be around when we finally get the economy straight, we'll take a look again to see if we can help them? I tend to think not!

Because of the things that are happening now; i.e., budget cuts, which demand intolerable sacrifices of the needy, minority groups, youth, the aged, the unemployed and families headed by women; because they're happening does not mean that it is right'.

The social consciences of America must not be allowed to die; we as a great nation of people and as Americans deserve a whole lot better than that'.

Thank you

The **Chairman**. Our next witness will be Dr. Donohue.

Dr. **Donohue**. I would like to thank you for this opportunity to address you on the concerns of women in terms of employment.

I feel the basic question that we are asking here today is should the Federal Government be involved or committed to improving the quality of life of its citizens. In terms of women, one of the ways that she can improve the quality of her life is through employment. Women now make up about 41 percent of the work force. They have increased since 1950 over 100 percent in the work force. In my report, I have documentation of the status of women in terms of statistics. I just want to point out that when women are employed, they get the lowest pay, the lowest status, and the most dead-end jobs.

With the low status in jobs, their economic responsibility has increased over the years. Female heads of household have also increased over 100 percent.

Women with increased economic responsibility and low pay are forced to live in poverty; it's the working poor or below the poverty level. If you look at the unemployment statistics for women, you see the inequality here also.

I would like to add another variable of race. If you add race to sex, you further complicate the situation. Women earn 59 cents to every dollar that a man earns. Black women earn 54 cents.

So in this situation, women are forced to live in poverty; 75-percent of those who live in poverty are women; 49 percent of all poor heads of households are women.

What are women's options? One option is employment training. Another option is expansion of opportunities. A third option is increasing the status of women's work. And a fourth option is securing these opportunities.

The Federal Government in the past has made a commitment to this in terms of CETA and affirmative action, WIN, and Women's Education Equity Act, to name a few—and my statement documents more.

However, we have seen a change in this. Reaganomics are now reversing 50 years of social progress. They are condemning the poor and making them responsible for being poor, and condemning them to a life of misery.

One of the most helpful programs for women has been the CETA program. In Philadelphia alone, with new jobs for women, Typing Your Way to Work, the technical opportunities program of the Institute for Learning, they vouch for a 75-percent placement rate of women into permanent employment. However, these programs are being proposed to be cut. The program which I run is a title II-D program. We are now functioning at a reduced rate, so the women in my program, as well as the men, are now supporting themselves and their families on about $40 a week.

The lack of job opportunity plus financial opportunity is one way of documenting the effects of the cuts, especially with CETA. However, the other effects on the family, on the community, and on a person's self-esteem are hard to document, but very evident.

What should the Federal Government do?

I have a list of recommendations. I feel there should be a strong commitment to job training programs for women—to expand the educational opportunities for women. There must be a strong commitment to affirmative action—EEOC, and OFCCP. There must be support of other agencies which help women, such as the Fund for the Improvement of Post-Secondary Education. There must be support of the Women's Bureau, which is a watchdog agency out of the Department of Labor for women's programs. And there must be support of community-based organizations which act as resources for women in terms of employment.

I have outlined my report, and I go into further detail. Thank you for this opportunity.

The CHAIRMAN. Thank you very much, Dr. Donohue.

[The prepared statement of Kate T. Donohue follows:]

# TESTIMONY ON THE
# ROLE OF THE FEDERAL GOVERNMENT
# IN WOMEN'S EMPLOYMENT ISSUES

by

Dr. Kate T. Donohue

Representing: The Institute for Learning
Women and Work Coalition
Philadelphia Affirmative Action Coalition

Temple University

June 15, 1981

Submitted
Representative William Grey, III

I am pleased to have the opportunity to appear before you today on behalf of the Institute for Learning, the Women and Work Coalition and The Philadelphia Affirmative Action Coalition to express my concerns about the role of our Federal government with regard to women's employment.

The basic question that we are posing here today is, "should the Federal government be involved in improving its citizens quality of life." Quality of life is usually defined by one's relationship to family, community and work. I am here to talk about the quality of life as defined by employment for 51% of our citizens; women.

The work force is becoming more and more the vehicle which defines a women's life; for she encompasses 41% of the work force. Since 1950, female participation in employmnet has increased by 141%, while the total work force has only increased by 62%.

Even though wormen's participation in the work force has increased, her status has not improved. Hence, her quality of life has not improved. Most women are in dead end, low paying jobs:

| | |
|---|---|
| 81% | in health services |
| 56% | in eating and drinking places |
| 43% | in employment and business services |
| 31% | in manfacturing |

The earnings of women have not improved at all. In 1954, the average women earned $.64 for every dollar a male earned. Today a women averages only $.59. College educated women earn less on the average than male high school graduates. Translated into simple facts, women earn one third less (i.e., 33%) than men. As a women enters the work force, she can expect the lowest paying, lowest status and most dead end jobs.

Ironically, female economic and familial responsibility has increased. During the 1970's female head's of household have increased over 100%.

Female heads' medium income was an unbelievable $8,540.00 as compared to their male counterparts who earned $15,730.00.

Consequently, most women's quality of life will not be improved by employment. Most women will be less likely to secure an independent financial life. She may become one of the "working poor" and be forced to live with her parents, or in an apartment rather than her own home or more devastingly give up her children because of a dire economic situation.

If we add another variable of race, the situation becomes more destitute. A Black female earns $.55 to a White women's $.59, while a White male earns $1.00. Hence, she may never raise above the poverty level.

Inequality becomes clearer when reviewing unemployment statistics. As of March, 1981, unemployment among women was 7.7%, while Black women experienced 10.2% unemployment. However, as Professor Janice Madden, University of Pennsylvania has pointed out, unemployment and under employment among women workers tends to be grossly understated.

Due to this inequality in employment, many women are forced to live as the working poor, below the poverty level.

-Women made 75% of those who live in poverty.

-Women head 49% of all poor families

-Women comprise 85% of all single persons over
65 living below the poverty level.

So the quality of life for women is threatened because she is forced to live in poverty from childhood, through her years of employment to old age.

The only realistic means to improve the quality of life of women is by improving her employment and economic status through (1) training and education to upgrade skills; (2) increasing employment opportunities; (3) increasing the status of her employment; and (4) providing safeguards to ensure her rights to these programs, and employment opportunities.

How can the Federal government aid in improving the quality of life of 51% of its people, i.e., women?

> The Federal government can do this by committment to job training and placement programs, education, affirmative action, and elimination of some barriers which inhibit women workers, i.e., day care, health concerns, and transportation.

In the past, there has been some committment by the Federal government to aiding women in securing a better quality of life.

In 1973, the Comprehensive Employment and Training Act (CETA) was created. Fifty percent (50%) of the participants in CETA are women mainly the elderly displaced homemakers and single mothers. Under the Social Security Act, WIN, the Work Incentive Program which was targeted for recipients of Aid to Families with Dependent Children (AFDC) assisted women in on-the-job-training, counseling and work experience. A committement in the form of education was the Women's Educational Equity Act and Title IV sex desegregation programs and, the vocational education amendment for sex equity. In adult education, 52.7% of its participants are women.

Securing and enforcement of these opportunities has also been under the purview of Federal government. Two major federal agencies were charged with enforcing the laws that prohibit discrimination in employment on the basis of sex (as well as race, religion, national orgin and color). They are the Equal Employment Opportunity Commission and the Office of Federal Contract Compliance Programs. There is also a watchdog bureau which is an advocate for women's employment issues, The Women's Bureau of the Department of Labor.

On one level there has been the beginnings of a committment to improve the quality of life of women workers. However, the Reagan administration with its proposed "Reaganomics" transfers these monies from social programs to the military budget. Consequently, Reaganomics seeks to reverse over 50 years of of social programs. Iris Mitgang, chair of the National Women's Political Caucus said "The budget holds the victims of poverty responsible for their own plight, and since 93% of those on welfare are women and children, it condemns them to a life of misery." It is very clear that Reaganomics makes no committment to improving or in any way becoming involved in the quality of life or women who are the nation's poor.

Let's take one salient example. One of the most helpful programs in providing poor women with job training and career mobility and security has been CETA. The Philadelphia programs such as New Jobs for Women, Typing Your Way to Work, the Lutheran Settlement House and the Institute for Learning's Technical Opportunities Program have succeeded in securing 75% of their female participants with permanent employment. The secondary gains in terms of self-esteem, job readiness and retention, empowerment, independence and productivity in the community can not even be documented.

CETA is one of the prime targets for Reganomics. How will this cut or actual transfer influence the quality of life of women? Devastating statistics could be quoted. However, the effect on the individual will most graphically demonstrate the severity of this cut back. Let's talk about a "real person" who is enrolled in a program sensitive to women's needs in terms of job training.

I would like to take an example of a women from the program which I am most closely involved, the Technical Opportunities Program.

Two years ago a women, who I will call Mary Jones, found herself and her six children on welfare. She had been employed in the Deli Department of a local large food store. The food chain closed down and left town, a common story in Philadelphia. Consequently, Mary was transformed from a productive community citizen, although still a member of the working poor, who had a high sense of worth into a women who was unemployed, unskilled, and stigmatized by the label of welfare recipient. Her strong feelings of depression and helplessness further compounded her sad economic plight. This lack of self esteem and accompanying feelings are documented when people become unemployed and lose control of their fates.

During this time, Mary wondered what she was going to do. She was in her early 40's, a mother of six children, unemployed without financial support and most significantly she had little hope for the future. Then she heard about the Institute for Learning's Technical Opportunities Program (TOP), a CETA Title II-D program and a demonstration project under the Fund for the Improvement of Post Secondary Education. TOP is a triune approach to education, training and employment. The three parts are (1) college course work in a technical field at Spring Garden College, (2) a public sector worksite corresponding to a participant's technical choice, and (3) a support system of academic, worker education, career and job development activities.

Mary, a GED recipient, discovered this program through community based recruitment and went to her local CETA intake site. Determined eligible, Mary was then evaluated, counseled and placed in Building Construction Curriculum.

What did this mean to Mary? TOP started Mary on the road of post-secondary education, initiated her back into the world of work and trained her in a non-traditional job for a women. Mary began to succeed. She was an average student in her very demanding technical classes, and was assessed as a valuable worker who had a great deal of potential in her field on her worksite. Receiving great assistance from the TOP support services, Mary began to feel better about herself, learn how to deal more independently and assertively in her life and then started to make plans for further education while working. To her family, this meant regaining their self-respect, empowerment and control over their lives. They would no longer be welfare, and food stamp receipants and subject to the humiliation of being poor.

With a secure employment future, Mary could support her family and earn a fair equal wage. With the establishment of affirmative action mandates, her opportunities were guaranteed. The future lookeed bright in 1980 for Mary and her family.

The tides changed in 1981. A new administration proposed abolishment of affirmative action, CETA, education equity and numerous other social programs. The ax fell for Mary on March 13, 1981. President Reagan proposed a recision of Fiscal Year 1981 Title II-D monies; the title which funded TOP. As project director on March 13, 1981, I announced to Mary that TOP, her promise for the future, would be totally closed out by March 31, 1981. A refrain Mary had heard two years before when she was working at a deli of a local food chain.

Without completing her training, Mary could no longer plan for the future. With some tears and protest, TOP was continued at a reduced rate until August, 1981. Mary is now completing only her course work, and is supporting a family on $40.00/week. Defeated in a bad economy, Mary is trying to look for a job. However, employment prospects look bleak because Mary was unable to complete her full training and because she is a Black unskilled female. It also appears that "Equitable Services Provisions" in the CETA regulations may be waived in order to place the males in PSE. So Mary may receive less than her equitable share of aid in job placement. Mary's 1981 dilemma is a far cry from the 75% 1980 placement rate TOP acclaimed last year and promised to her this year.

Mary and her family's future appear more dismal due to the other budget transfer proposed. Back in the throws of poverty, Mary has no future in terms of education and training. CETA, WIN, WEEA and Title IV are planned to be cut. Fifty percent (50%) of CETA participants being women will be effected in the same or perhaps more devastating way t[illegible]. Mary was; while 100% of women in WEEA and Title IV will be effected.

Now that Mary is back among the ranks of 67% of poor women. What can she expect. Mary can expect reductions in the following programs which will also effect a vast majority of women:

-75% of those who will lose Social Security minimum benefits under the Reagan plan are women; many unmarried, part-time workers or domestics

-67% of the clients of the Legal Services Corporation, marked for elimination, are poor women.

-Programs designed to help diets of poor women, infants, and children would be cut back 30%.

-Federal funding for daycare is being cut 25%. In addition, that money is being put into large block grants and states will be under no obligation to actually allocate the money earmarked for daycare, nor must they provide matching funds or meet any federal standars.

-69% of Food Stamp receipants are women, 11 million are children. The average meal costs $.44.

The federal cuts in public transportation will also hinder Mary and other women for this is her only means of arriving at work. To add injury to insult, the two major federal agencies charged with enforcing the laws that prohibit discrimination in employment on the basis of sex (as well as race, religion, national origin and color) are the Equal Employment Opportunity Commission and the Office of Federal Contract Compliance Programs. Even under present budget allocations, funding has not been sufficient to provide adequate review and enforcement of complaints. Newly adopted mechanisms had reduced the EEOC backlog, but Administration proposals would cut into this capability. EEOC currently brings suit in under one percent of the charges that are filed.

EEOC and OFCCP were mandated by Congress and the courts to enforce anti-discrimination on the job and in the workplace, particularly among federal contractors.

The Administration proposes not only to slash financial support, but to undercut this mandate by imposing new responsibilities on the agencies to "prove" discrimination prior to taking any action.

President Reagan has established a regulatory review board, headed by Vice President Bush, which will take a "second look" at a wide range of regulations, including several that provide for affirmative action for women in job hiring and contract awards.

Another caveat is that the Women's Bureau under the Department of Labor has not received a budget and is being stripped of its potency. Hence, Mary has no protection and combined with the elimination of CLS, no legal recourse.

These budget transfers cut deeply in the progress of human rights. This "anti-human rights" stance -particularly anti-women's rights- is further strengthened by the Reagan proposal to consolidate many programs vital to women's survival and also to place them under the responsibility of the states. Such projects include family planning, child-welfare services, rehabilitation and the programs for the handicapped, domestic volunteer and community action programs. This is most threatening because our history demonstrates that states tend to fund politically popular programs rather than those most needed. The Reagan agministration's definite anti-women's rights stance is evident from the reaction of Ed Dale of the Office of Management and Budget to the coalition's report.

"These damn women who purport to speak for all women in the country," he said, "I think it is a bunch of junk".

Dale accused women's groups of taking the view that "the states are a bunch of Ku Klux Klanners and against poor people." If this view is valid and history repeats itself, these programs are in jeopardy!

With this negative attitude toward women's concerns, the shift to military spending and to state responsibility, women's rights are in peril. Women and men must address these issues and oppose (1) the budget cuts, (2) the shift to military spending and (3) the shift to state's responsibility. If women do not take a firm adamant stance, women will lose all the gains they have made. We again will have no control over our bodies, our minds and our futures.

We are back to the basic question of should the Federal government be involved in improving the quality of life of its citizens, particularly women. As a representation of many women and their concerns, I feel it is imperative that our government take a stand and counter the inequality surrounding women, particularly in terms of employment. What can the government do?

1. The government must be committed to job training which will provide women with career mobility, security and equal economic status. Consequently, certain programs must be targeted specifically for women and must be linked to upwardly mobile real occupations. The "Equitable Services Provisions" of CETA regulations must be preserved.

2. WEEA and Title IV, and the sex equity aspects of vocational education must be maintained. These expand women's options and secure equal educational opportunities. Additionally there _must_ be Basic Educational Opportunity Grants available to both full and part-time students.

3. There must be a committment to Affirmative Action, EEOC and OFCCP. They must be supported in financial policy, and in enforcement.

4. Incentives must be structured into programs and employment to guarantee equal opportunity and affirmative action mandates for women.

5. There should be an increased federal role in alternative childcare provisions.

6. Our government should provide support for independent information and counseling centers for women in terms of education and employment.

7. There must be continuation of the Fund for the Improvement of Post-Secondary Education. FIPSE has helped generate a large number of effective models for aiding women in their educational and work pursuits.

8. Support the Women's Bureau and foster dialog among working women and resource persons at the community level. For example, the Women and Work Coalition, and the Employment Sub-committee of the Philadelphia Affirmative Action Coalition must receive governmental and community support to continue their "watchdog" activities.

It will only be through this strong federal government committment that women will be equal in employment and be able to improve the quality of their lives.

Thank you again for this opportunity to express Philadelphia women's concerns in terms of employment and the quality of their lives.

The **Chairman**. Our next witness is Ms. Roye.

**Ms. Roye**. Thank you for the privilege to come and sit before you.

I believe in 1978 I had the privilege also to sit before the Senate Committee on Finance to testify about youth unemployment. In 1981, again I sit here to testify about youth employment.

What happens to a dream deferred? Does it dry up like a raisin in the sun or fester like a sore and then rot? Does it stink like rotten meat, or crust and sugar over like a syrupy sweet? Maybe it just sags like a heavy load, or does it explode?

I pose, before you today, are we in an explosive situation with youth unemployment?

We sit and talk about figures, statistics, things like that. I say to America, where is my dream? Where is my children's dream?

The statistics that Mr. Johnson gave were somewhat adequate. But I would like to give you a few more statistics as far as Philadelphia and Pennsylvania is concerned. I had the privilege for sometime to work with Dr. Bernard Anderson, who was at the time with the University of Pennsylvania, Wharton School of Finance. We came up with some surprising evidence, surprising information.

The statistics as far as the unemployment among youth has always been geared to those who have signed up at the employment office. It never included those who have for some reason shied off or had tried the unemployment office and left that mainstream.

My statistics come up to more like 93 percent of our youth being unemployed. And this is due to the fact that when we are accumulating our statistics, we usually exclude summer employment. Now, if you include the summer employment, then it would drop down to somewhere like 60 percent, which is still a staggering percentage.

The most unemployed are the black youth within this area. For the last 20 years, no more than 17 percent of the white youth have been unemployed, and this is simply because of the fact that the white youth have more accessibility to employment counseling services, and are usually funneled directly into the mainstream of employment in the 12th grade or earlier. They have accessibility because their parents usually are in influential positions and their companies and their agencies have a tendency to hire those that are most closely associated with them.

Blacks often do not have that opportunity. And I stand here to speak before you for our black children. We are inadequately educated. By us being more inadequately educated, we have a tendency to be lost in the mainstream as far as labor is concerned, because they are looking more toward those youngsters who are skilled or who have a better education.

I say to you we need to revamp our educational system in order for us to be geared to go into the labor market.

Also, we quite often have to look at the statistics among the adult community within the black community. Philadelphia has some of the highest unemployment among blacks. Before we allow the black child to go and take the father's job, we will accept the father. And quite often, we have a situation where both of them are unemployed, as stated once before. We have to rectify that.

I say we have a bill called the Humphrey-Hawkins bill, which is supposed to guarantee 94 percent employment. I say once again, America, where is my dream?

Unemployment has been staggering in the black community. You lied to us, America; you lied. You asked us for support. We gave you support. What we are asking for is jobs—no more. With jobs we will have proper, decent housing; we will have adequate medical assistance. Because we can funnel our own energies back into our communities. We don't need any governmental programs, because they have failed.

They have always experimented on black communities, and left us stranded. We are asking for jobs, to stand on our own feet. No more, no less.

Our youth unemployment, I go back and once again say we need to research ourselves; CETA program, area manpower, are now pulling out. It is pushing unemployment among our youth and our blacks up even higher. We need to funnel more job programs into the private sector. The CETA program has eliminated the private sector, except for, I think it was tier 1 program, which is—I think it is in Baltimore, that project went through Baltimore, which money was being funneled into the youth program.

I don't know if you are familiar with that. It came under CETA, also—for youth unemployment. That was an experimental program for youth unemployment.

We need to engulf the private sector, because this is where we will solve our problems. This is a free enterprise country, supposedly, and not a socialist country. If we are going in that direction, we must look in that direction.

Thank you for allowing me to speak.

The Chairman. Ms. Roye, I would like to thank you for your opening remarks. The Chair would yield to the gentleman from California.

Mr. Dymally. Mr. Johnson, I take it from your testimony you believe that the CETA program was successful.

Mr. Johnson. CETA in Philadelphia, under the present administration, I would say over the past 18 months to 2 years, it has been a very successful program. I tend to say that because the program administration seemed to go to great lengths to try to include large numbers of individuals who had previously been left out of the system.

There are a number of ways to address the CETA program, to show all types of fantastic statistics. You can take an individual who walks in, who is a college graduate, you give him 2 days of some kind of counseling, then all of a sudden he has a job.

But the direction that I saw Philadelphia's program going over the past 18 months was to reach into the pockets of poverty in Philadelphia, to try to take those individuals who were poorly educated, with virtually no work experience, and to try to bring them into an employment situation.

So yes—and I will qualify that. Over the past 18 months I think that Philadelphia has run a very successful CETA program.

Mr. Dymally. Thank you very much. I ask that question because as I listen to people in the job counseling market, I keep hearing exactly what you are saying, that the CETA program had a great deal of success. When one reads the Op Ed pages, the columnists, they keep saying what great abuse there was in the CETA program. So I am pleased to hear your remarks.

Mr. JOHNSON. Also, you know, one of the biggest problems in terms of programs to try to do something for people is that you really never have sufficient opportunity, or you never take the time to really tell about your successes. You are so busy working and trying to do a number of things, and I would say that Government programs—and there are probably some very successful programs within the entire CETA package—probably fell prey to the same thing. I think when you start looking at some hard testimony on the community development program in coming years. But all in all when you look at minority and poor communities, and you look at the vast array of social and Federal programs that have been made available, the two that stick out in your mind that can really do something for you on a day-to-day basis was CETA, because it gave you the potential to have a job, and No. 2 in terms of the community development program, because it put you in a position to correct and improve your physical environment.

The problems about the private sector—the private sector has the capacity, but it doesn't have the will. That goes back to the whole argument about the block grants and all the rest. There are some things, work being done in communities—and that was one of the primary reasons that the Federal Government stepped in. You take housing for one, take employment, you might want to look at the health, look at drugs, or whatever. So why is it all of a sudden that now you feel that by taking a huge sum of money and giving it back to a State that all of a sudden they are going to turn around and address those things they did not address in the past.

What I am saying is that unless these issues are made national priorities, that State and local governments have to in some form address, then I don't see the major benefits being derived in communities that should be expected by the American people.

Mr. DYMALLY. Thank you, Mr. Chairman.

The CHAIRMAN. Dr. Donohue, would you tell me the nature of the programs that are provided by the agency that you serve as executive director.

Ms. DONOHUE. The agency for which I work is the Institute for Learning. One of the community groups I'm on is the Women and Work Coalition. The agency at which I work, the Institute for Learning, has a number of CETA programs. The one that I mentioned, the technical opportunities program, is a title II-D program, also jointly funded by the Fund for the Improvement of Post-Secondary Education, to bring CETA funds for youth onto college campuses. We have a number of women in that program. This is a three-part approach to postsecondary education, where a student is enrolled in postsecondary technical courses. They have a work site and public sector that corresponds to their technical choice. They are also part of a support system which gives academic worker education, career and job development activities.

People in this program work 30 hours a week and participate in all three aspects. So it is a link for youth to have their high school degree, or GED, to go on to postsecondary education. Our goals are permanent employment or furthering of their education.

The CHAIRMAN. With primary or exclusive focus on women.

Dr. DONOHUE. We service both men and women. There is another program in Philadelphia, new jobs for women, which serves for just women in technical areas.

The CHAIRMAN. Explain for the panel what you perceive to be the practical effects of the Government cutting off the CETA funds as it affects your program and the goals of the Women's Coalition.

Dr. DONOHUE. I would like to outline in terms of an individual what this will mean.

For lack of a better name, let's call a woman in my program Mary Jones, who is a 40-year-old mother of six. Two years ago she found herself unemployed. She worked in the deli department of a local food store. The food chain left town, which is a very common situation happening in Philadelphia right now. She found herself and her six children now unemployed and on welfare, with all the stigma that goes along with being on welfare.

She has very few options. She did have a GED. And through community-based recruitment, she found out about our program. Mary started. She was assessed as a wonderful worker on the worksite and started to make gains in self-esteem, and making plans to further her education while she was working.

This year we experienced a cut. We were cut in half, because we are title II-D. Mary is now supporting her six children on $40 a week. She will be unable to complete her full training—she will get her courses completed, but she is not on a worksite. She is a black woman, who is unskilled, and will be unemployed by the end of the summer. She will not have any support. Other programs such as day care, food stamps, will not be there.

Also the affirmative action mandates are also being cut, financially and in terms of policy.

So for Mary, and for a number of other women who make up 50 percent of the CETA population, they will be back in poverty, as are 67 percent of women living in poverty today.

The CHAIRMAN. Is there any realistic chance that the local government and/or private industry would finance the kind of projects that you are presently working with?

Dr. DONOHUE. I have a few concerns, one I would like to address—in the block grants. Historically, States fund programs that are popular. Women's programs are not popular. So I have a lot of concerns about women getting money with block grants.

Two, our program could be picked up within the private sector for the kinds of jobs that we place, because a lot of our job placements were with the private sector people. There is a stigma that CETA has that we have found is very hard in our job development in getting private people interested. I think that one way to go is title VII, with the Private Industry Council, and having private industry look at us.

But it is a very complicated issue, and I think it is not going to be easily solved for the people who are readily available to enter CETA right now.

The CHAIRMAN. Do you have any contingency plans, or are those plans realistic in view of the policy direction that the Federal Government is presently going?

Dr. **Donohue**. Well, we have talked to the people at OET in Philadelphia. We are trying to look to the new fiscal year under another title, title II-B or title VII. We are also trying some initiatives in terms of getting private industry interested in the trainees that we have in terms of employing them and paying for their education. However, as I said, that has not proved very fruitful right now. So right now we are looking, hoping that some kind of employment and training will still be in effect in the new fiscal year, and with trepidation looking to support from the private sector.

The **Chairman**. Thank you, Doctor.

Ms. Roye, I would like to first indicate, near the end of your testimony you made a statement that we don't need any government programs, that the private sector can provide jobs. First a comment and then perhaps a question.

I have heard a number of people make that statement. Often the assumption is that blacks, other Third World people, and poor people, are the only ones that receive any resources from the public trough, and that in some way the private sector is devoid of any involvement with the government. I would like to suggest for a moment just the reverse.

In the 10-plus years that I have been in the U.S. Congress, I have had an opportunity as one of the few blacks in history to be able to try to perceive this country and the world from this vantage point. What I have learned in those 10 years is that there is no such thing as a private sector versus public sector in the clear unequivocal terms that your statement connotes. If you look at the top corporations in this country, they would not be there if it were not for the Federal Government. These companies, multinationals, have catapulted themselves to very prominent positions in the economy of this country and the world economy as a direct result of Federal funds. So that who builds the missiles? Who builds the tanks, the planes, the bombs, the bullets? These are major corporations that make billions of dollars.

I don't know if you were here earlier when I indicated that in the 10-year period of the 1990's, this country is preparing to spend somewhere between $2.5 and $3 trillion. That is more money than any of us in this room can comprehend.

The only thing I can say to put it in measurable terms is that it is 2½ to 3 times the amount of money we spent the last 10 years on the military functions. Now, who is going to benefit from that? It is going to be the private sector, the people that build the missiles and the bombs; and the point is that oftentimes we have allowed poor people, blacks, Third World people, and women, to be literally beaten with the propaganda that in some way it is bad to participate in government programs. And I am saying within the framework of a democratic society, there is nothing wrong—in fact, it is my belief that the Government has a profound obligation to address human misery. We have an obligation to establish national policy. It is not going to be General Motors that is going to deal with the unemployment problems of this country.

Government is ostensibly the collective expression of the people's will. And if government is not capable of expressing the people's will, then the people have to change that government.

Now, that is the only way that people can come together to say let us have a society to address this human misery. We are not on the boards of directors of major corporations. So where do we come together as a community to say let's eradicate the human misery that expresses itself in unemployment. The only way you can do it is in policy within the framework of the government.

Given that, I would appreciate if you would go back over why you believe we have to abandon government policy in the area of employment, and assume that these issues can be resolved, singularly and solely in the private sector.

Ms. **Roye**. I think that you misinterpreted me. I basically geared it toward the CETA program. I totally agree with you in your saying that there needs to be an intervening of the government, for the simple fact is that—excuse me. The government needs to be there. What I am saying is that for the black community there is a constant thrust of different programs and different crutches for the black community. On the overall, the programs that have been established have benefited the whites because basically there are more whites in poverty than blacks, because there are more whites in the United States. But the blacks are the largest minority in this country. And what I am saying is that the trillions of dollars, I cannot conceive. Give me a billion dollars and every black, if there is 40 million blacks, every black will be a millionaire.

I am saying there are rules and policies and laws that are on the books, Congresspersons—just go by those rules, and give us our just dues, no more, no less. Just give us our just dues.

Congress wrote the laws. The Senate passed the laws. Just go back and implement the laws. If you say that there is a Humphrey-Hawkins bill which says that we are supposed to have full employment—I don't see it. I just see it was passed, and no effects have taken place within my community. In fact, we have had the reversal in the black community, that the unemployment has jumped since the passage of that. I am saying there is something wrong. All these laws are there, but nothing has been enacted. And nothing as far as that is concerned. And when they are talking about women's rights, women unemployment, my first priority is black unemployment, and then comes women's, because if the human rights issue is followed, then we will have no discrimination among blacks or among women. The overriding thing is the human rights issue.

Mr. **Dymally**. Ms. Roye, the executive branch in this administration and the private administration have failed to implement the Humphrey-Hawkins bill. Second, we have to examine management in America. Management has failed. The workers have not failed.

Every time a worker comes up with some innovative system to expedite production, they lose their job. We have to begin to examine management, and take the onus of this responsibility off the worker.

Ms. **Roye**. I agree.

The **Chairman**. I will yield back to the Chair.

Mr. **Gray**. Thank you very much, Congressman Dellums, and Congressman Dymally.

Ms. Roye, Dr. Donohue, Mr. Johnson, we want to thank you for your testimony. It will be entered into the record. We appreciate your patience in waiting since we have fallen behind. Thank you very much.

Mr. **Gray**. At this time the committee calls Dr. Bernard Watson, vice president, Temple University; and Ms. Arbutus Sider, cochairperson, Parents Union of Philadelphia.

Ms. Sider, we want to welcome you to this congressional hearing by the District of Columbia Committee. You may go ahead.

We would like to inform you that your total testimony will be entered into the record. If you could summarize it, it would be appreciated, so we can get more time into questions.

## STATEMENTS OF BERNARD WATSON, VICE PRESIDENT, TEMPLE UNIVERSITY; AND ARBUTUS SIDER, COCHAIRPERSON, PARENTS UNION OF PHILADELPHIA

Ms. **Sider**. Thank you.

Mr. Gray, Mr. Dellums, it is my pleasure to be here to testify on behalf of Parents Union, a citywide biracial independent organization of public school parents that formed in 1972 to be the bargaining agent for the interests of our children. Parents Union is especially concerned with our youth and their education in the public schools.

Just to summarize, then, I would like to say that we do affirm the support that public education has received from the Federal Government in the form of categorical funds that support those critical extra resources to assist students with special needs. And just to very quickly mention four of them. We feel that title I has had a very positive effect on reading scores in Philadelphia. We could document that. We feel that the Education for Handicapped Children Act, Public Law 94-142, could again be documented as having played a significant difference in the lives of over 23,000 children in Philadelphia.

And a third very valuable program that we have found to be helpful is the Emergency School Assistance Act, and especially our voluntary desegregation plan emphasizing magnet schools has attracted as a result of those funds 21,000 students into integrated programs.

And finally, school lunches and breakfasts funded under the Child Nutrition Act are also critical to the health and welfare of our children.

In addition to the categorical funds that have been helpful, we also affirm Federal programs that provide resources directly to community-based organizations and would use as our example, in which we have had personal experience, the youth advocacy program of the Office of Juvenile Justice and Delinquency Prevention.

Parents Union has received that grant—a grant from the OJJDP and as a result of that grant given to us directly, we are focusing on four critical issues that require sustained persistence and advocacy in order to make the big school bureaucracies more responsive to the needs of the consumers, the consumers being the students and their parents.

The four areas we are focusing our attention and resources on are reading, discipline, special education, and student involvement. And with our annual budget of $275,000, which is equivalent to what the Philadelphia School District spends in less than 4 hours, we feel that we have made some major impacts on the school system.

We are primarily a voluntary organization giving over $1,000 per month, and we are backed by a staff of 32 full-time and part-time staff, and feel that we do benefit the 220,000 students in our city.

It is important, we feel, as we receive the direct grants, that there be effective and clear guidelines demanding specific results, so that these direct grants achieve the maximum potential that they are intended to. And we would just like to say that again in terms of the youth advocacy programs, that we do find the guidelines and requirements have added teeth and accountability and effectiveness to the programs. And some of those important requirements have been full participation of youth in the program, a focus on systems change, not just service or case advocacy, the use of coalitions, independence from the system being changed, and evaluation based on planning, cost effectiveness, and results.

Just a word, then, about our fears for the future.

We do fear what the present administration is proposing in budget cuts and block grants, that it will have a devastating and crippling effect on our children and on our public school system. Our school district is near bankruptcy. SEPTA is near bankruptcy. Our children and parents are going to experience drastic reductions in health, mental health care, juvenile justice, social and legal services, not to mention housing and community development programs.

For three reasons, then, we oppose the block grants. First of all, after a 35 percent or more cut in funds, the remaining dollars will be divided by the politicians in Harrisburg. This is a serious matter, because our State capital sometimes feels more foreign to us than Washington, D.C.

The antiurban and even racist bias has apparently been summed up by one of our Pennsylvania leaders who said, "You know what we ought to do with Philadelphia, why don't they cut it off and let it float down the Delaware?" We do feel the politicians in the State legislature lack the understanding and many are outrightly hostile toward city people, especially poor blacks.

Our second reason for opposing block grants is that the guidelines, safeguards, and rights in Federal legislation will be washed out by the Reagan proposal.

And third, we oppose them because the timetable is absurd. The result would be an administrative nightmare at the Federal, State, and local levels. Too many changes are being made too fast.

We oppose the cuts in programs that are producing results. We oppose the block grants approach that cut the heart and teeth out of legislation which has already been developed over the past decade. And last, we oppose the Reagan plan for tuition tax credits.

We would love to share the dreams and visions we have for our children and teenagers in urban centers. We have constructive proposals. We are implementing them in our urban public school system. But in light of the present reactionary actions of Congress and the Reagan administration, we are here to sound the alarm. Save our children, save our public schools, and save our cities.

Thank you.

Mr. Gray. Thank you, Ms. Sider.

[The prepared statement of Arbutus Sider follows:]

TESTIMONY FROM

ARBUTUS B. SIDER

CO-CHAIRPERSON

PARENTS UNION FOR PUBLIC SCHOOLS

BEFORE THE

SUB-COMMITTEE ON THE DISTRICT

OF COLUMBIA OF THE

HOUSE OF REPRESENTATIVES

JUNE 15, 1981

**Parents Union for Public Schools**
SUITE 1030 • 401 N. BROAD ST. • PHILADELPHIA, PA. 19108
(215) 574-0337

Congressman Dellums, and Members of the Sub-committee on the District of Columbia of the House of Representatives.

Parents Union is pleased to testify at this critical time in our nation's history on effective ways federal resources and policies can be used to address urgent problems facing our urban areas.

As a city-wide, bi-racial, independent organization of public school parents that formed in 1972 to be the bargaining agent for the interests of our children, Parents Union is especially concerned about our youth - and particularly about their education in our public schools. Too long our children and public education have been a low priority - getting the crumbs and being of less than Cabinet status.

The education of our youth is our primary concern. Yet we are painfully aware that school problems are a reflection of our society's problems and that the lives of youth in public schools are intertwined with, and constantly affected by other systems - health, juvenile justice, employment, social service, recreation, housing, transportation - and especially by the political system.

We first want to affirm the present federal role in education and its fundamentally positive impact on urban school systems. Using our experience in Philadelphia as a case in point, we can see evidence of the positive effects of Title I on reading scores. Are you aware that reading scores in Philadelphia have slowly but steadily been improving - and that this year we are only one percentage point below the national average in number of students scoring at the low end of the scale (below the 16th percentile).

Title I programs focusing on Reading and Math Skills have helped make a difference.

Likewise, the effects of the Education for All Handicapped Children Act (P.L. 94-142) has made a vast difference for thousands of students. In 1977 when 94-142 went into effect, only 16,000 Philadelphia students were receiving special education services. Now over 23,000 students have a program tailored to meet their needs.

A third very valuable program undergirds our voluntary desegregation efforts, Emergency School Assistance Act (E.S.S.A.). Our voluntary plan emphasizing magnet schools has attracted 21,000 students to integrated programs.

School lunches and breakfasts funded under the Child Nutrition Act are also critical to the health and welfare of our children.

So we want to affirm the support received from the federal government in the form of categorical funds that supply those critical extra resources to assist students with special needs. They have helped the school system achieve its basic goals. As you are aware, the tax base in Philadelphia like that of most other urban areas is overburdened already. We need federal categorical assistance to give our children an equitable opportunity in a society where income and other resources are so inequitably distributed.

Besides underscoring the value of federal categorical assistance to urban school systems like Philadelphia, we want to affirm the value of the Youth Advocacy Program of the Office of Juvenile Justice and Delinquency Prevention, within the Department of Justice. The Youth Advocacy Program is an example of a small federal program that provides resources _directly_ to a community based organization. From our earlier statements you may have assumed that we are blind admirers of the Philadelphia school system. On the contrary, we are concerned loving critics who are totally independent of the Philadelphia school system and who advocate in the best interests of our children. When praise is due the public school system, we applaud it and when changes are needed we identify them and work to make constructive changes. Parents Union is focusing on four critical issues that require sustained, persistent advocacy in order to make the big school bureaucracy more responsive to the needs of the consumers - the students and parents. We are concentrating our energy and resources in the areas of - 1) Reading 2) Discipline 3) Special Education 4) Student Involvement. Our annual budget of $275,000 is equivalent to what the Philadelphia School District spends in less than 4 hours.

But with our resources - parents who volunteer over 1,000 hours per month and who are backed up by a staff of 32 full and part-time staff - we address these system-wide issues and see results that benefit 220,000 students.

For example, this year we assisted 250 students who needed a parent advocate to secure appropriate special education placement and 85 students who needed assistance in areas like suspensions, transfers and student abuse. We helped the students revitalize a Student Union and educate themselves on their rights and responsibilities. We are developing parent groups at 25 local schools who will work to improve reading or discipline in their schools. We assert the parent's right and responsibility to be involved in the decision-making process. We have highlighted the close inter-connection between reading and discipline. We have also identified and support key ingredients that make schools work for children. (See attached Op Ed pieces.)

We are educating and motivating parents - that group that is labelled "apathetic" and "deficient". Many parents do feel powerless and have been systematically excluded from decision-making. But we are part of that self-help movement of parents helping parents. We are advocates for our children, engaged in the task of changing that important institution, the urban public school system.

Thus far we have said that, not only categorical grants, but also grants given directly to local communities by the federal government have had positive effects on the youth of Philadelphia. Our experience, however, has also taught us that for these direct grants to be effective, there must be clear guidelines demanding specific results.

In the case of the Youth Advocacy programs of OJJDP, some of the guidelines/requirements that have added teeth, accountability, and effectiveness to the programs are the following:

(1) full participation of youth in the program
(2) a focus on systems change not just service or case advocacy
(3) use of coalitions

(4) independence from the system being changed and

(5) evaluation based on planning, cost effectiveness and results.

Funding directly from the federal government to local community groups can be a very effective use of federal dollars if, and only if, there are clear guidelines and accountability mechanisms, and if the local group is strong enough to pursue its agenda. Federal funding directly to local groups is key. Funneling federal dollars through state and local governmental bureaucracies only adds red tape and added overhead costs.

Our recommendation, then, is that the federal government continue funding effective federal legislation: categorical programs like Title I, P.L. 94-142, E.S.S.A., and Child Nutrition Act; we also recommend continuation of local self-help efforts like the Youth Advocacy Project. But, to repeat, there must be teeth and specificity in the legislation and regulations to safeguard the intent of federal legislation and to guarantee cost effective use of federal dollars. Federal legislation is needed to guarantee equality of opportunity for groups in our society that are short changed, excluded or discriminated against by the local or state governments. A child who happens to come from a family with low income, who happens to be handicapped, or who happens to live in the city, should not for any of those reasons be denied of life, liberty and pursuit of hapiness.

So we've made clear what youth and parents in urban areas need from the federal government. Now, the other side of the picture. In spite of what I said to this point we are full of fear - fear that what the present administration is proposing in budget cuts and block grants will have a devastating crippling effect on our children and on our public school system.

Our School District is near bankrupcy due to inflation and the low priority of children and education in the city and state budgets. Now we also face federal cuts in Title I, Education of Handicapped Children, desegregation funds and school lunches. Add to that the near bankcrupcy of the public transportation system SEPTA that is trying to balance its budget by increasing fares for school students by 100%. As if that were not enough - our children and parents will experience drastic reductions in health, mental health, juvenile justice, social and legal services, not to mention housing and community development programs.

We oppose the block grants for 3 main reasons:

a) first, after a 35% or more cut in funds, the remaining dollars will be divided up by the politicians in Harrisburg. This is the more serious because our state capital sometimes feels more foreign to us than Washington, D.C. The anti-urban, even racist, bias was aptly summed up by one Pennsylvania leader who said - "You know what they ought to do with Philadelphia - why don't they cut it off and let it float down the Delaware". We do feel the politicans in the State Legislature lack understanding and many are outrightly hostile toward city people - especially the poor Blacks.

b) secondly, we oppose block grants because the guidelines, safeguards and rights in federal legislation will be washed out by the Reagan proposal. You'll be throwing the baby out with the bath water. In this case it will mean throwing away the chance to an equal, integrated, quality education for many of our children.

c) our third reason for opposing block grants is that the timeline is absurd. The result will be an administrative nightmare at the federal, state and local levels. Too many changes are being made too fast.

We oppose the cuts in federal education programs that are producing results. We oppose the block grant approach that cuts the heart and teeth out of legislation which has been developed over the last decade in response to unmet needs of our children. And lastly, we oppose the Reagan plan for tuition tax credits. Besides the loss of 4 to 7 billion dollars by the federal Treasury, the tuition tax credit plan spells INEQUALITY for children from poor families. It undermines our public school system which has been a cornerstone of our democratic society. Finally it raises the serious Constitutional issue of the separation of church and state.

We would love to share the dreams and visions we have for our children and teenagers in urban centers. We have constructive proposals for improving the urban public school system. (See attached reprints of Inquirer Op Ed Pieces.) But in the light of the present rash and reactionary actions of Congress and the Reagan Administration, we are here to sound the alarm - Save Our Children - Save Our Public Schools - Save Our Cities.

The Philadelphia Inquirer
Op-ed Page
Wednesday, May 6, 1981 · 11-A

# The better schools operate on more than money

By Yvonne J. Hutchins

Let's look beyond the present crisis in leadership of the Philadelphia School District to the day when we have a new School Board and a skilled, committed educational leader as superintendent dedicated to insuring that every child learns.

What will the new leadership inherit from the present board and Superintendent Michael Marcase?

- At six of the city's high schools, more than half of the students can't read, scoring below the 16th percentile on national reading tests. In two of the schools, as many as 70 percent scored below that figure.
- Student absenteeism at the six lowest-scoring schools averages 37 percent.
- The dropout rate is high. Nearly half of the students at these six schools drop out before completing high school.
- The school system faces a $130 million deficit in a $700 million budget.
- School district staff morale is low.
- Parents and community groups have been turned off, both literally and figuratively, by the board and superintendent.

This is a dismal picture. Yet, if you look closely, and especially if you visit specific schools and classrooms, another picture emerges. Take two North Philadelphia schools, about a mile and a half apart. Their student populations are similar in racial and class background, but in one school, the children are learning to read; in the other, they are failing at an alarming rate. In one, you will find an orderly, clean, cheerful building where children are eager to learn. In the other, you find paper-littered hallways and children resisting commands of grim-faced teachers.

In some schools learning is fostered in spite of the present leadership downtown.

What makes the difference?

One factor is the leadership role played by the principal in establishing a climate where children are expected to learn. Another is the expectation of the teachers that all children can learn, that classroom time should be used for teaching, not reprimanding.

Researchers like Ron Edmonds, Ray Rist, and W.B. Brookover in the United States and Michael Rutter in London have documented the factors that make some schools work for students. Schools serving identical populations of students can show very different results. Schools where children learn during the 1,000 hours they spend at school each year have some common characteristics:

1) The principal takes an assertive role as instructional leader — supporting and training teachers and setting clear expectations for the students and staff.

2) The teachers expect that students can learn and use classroom time carefully for teaching, not for busy work or for constantly reprimanding disruptive students.

3) The educational goals of the schools are clear to all — the students, parents, teachers and other staff. In some, the goals and progress on achievement tests are posted on wall charts for all to see.

4) Student progress is regularly evaluated and the results shared with teachers, students and parents.

5) The school is orderly, clean, and attractive. Rules on expected behavior are fair and clear. Discipline is not an end in itself but is a means to achieve the primary goal of the school: academic progress.

It would not cost more dollars to attract and promote principals with leadership skills and an attitude that children can learn, to retrain teachers to expect that each child can learn and to spend classroom time on teaching, to establish fair and consistent discipline practices in a school, and to regularly evaluate students' academic progress.

It would not cost more dollars to open the doors of a school to parents and others in the community who want to be involved in the decision-making process or to volunteer their time and skills to enrich the academic program.

Rather than dollars, vision, commitment and leadership skills are needed. A new board and superintendent must get away from reacting to crises. They must refocus their attention — and that of teachers, administrators, parents, students, taxpayers and legislators — back to the reason the public schools exist: to teach the basic skills to all children.

A new School Board and superintendent must set this goal: Every child can learn, and every school will teach every child.

*(Yvonne J. Hutchins is cochairperson of Parents Union for Public Schools)*

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The Philadelphia Inquirer
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# Schools should be returned to the 'consumers'

By Kathe Zepernick

The public schools can work for all students — if some changes are made:

1. Management decisions must be made at the local schools, not by the central bureaucracy.

2. The consumers — parents and students — must be involved in the decision-making process.

The overly centralized bureaucracy that has mushroomed in Philadelphia discourages leadership in attacking the basic problem of teaching academic skills and democratic values.

Highly centralized, bureaucratic systems are proving counterproductive not only in Philadelphia but in many school districts across the country. Some states like Florida, California and South Carolina are trying a new way now that they see that bigger is not always better.

Local districts in Eugene, Ore., Lansing, Mich., and Salt Lake City, Utah, are also reversing the negative effects of centralized bureaucratic control of public schools. They are returning decision-making to the local school — to the principal, teachers, parents and students. It is not a panacea, but is an effective alternative to the stifling bureaucracy that exists at present.

Returning most management functions and decision-making responsibilities to the local school increases the power and responsibility of those people who have to carry out and live with the effects of decisions: the principal, teachers, parents and students.

The principal needs to be the key manager and coordinator at the school. As the Parents Union for Public Schools recognized in our Good Principal awards of 1980, there are some skilled and dedicated principals in the Philadelphia public schools who are leading and managing in spite of the red tape from the central administration. We found that the "Good Principal" usually focused energy and attention on academic program and then carefully deployed resources to that end. Effective principals did not get bogged down in rules, regulations and directives, at the expense of the students.

If decisions about curriculum and use of personnel and money are moved from the central and district offices to the school building, the principal (and local school community) would regain authority and also responsibility for wise and careful use of resources in the pursuit of academic excellence.

Moving the focus of decision-making from the central offices to the school building is called "school site management." It is no quick fix — but does allow people closest to the students to have greater power and responsibility to see that students learn.

Decisions about the educational program and the development of resources would be made by a School Site Council. It would have equal representation from consumers (parents, students and the community) and school staff. All representatives would be elected by their constituent groups (except for the principal).

The School Site Council would see that all available resources, people and materials, are used for students' learning. The sense of ownership increases when teachers, parents, principal and community are clear that it's their school.

Repairing broken windows or removing graffiti would not be dependent on sending 25 requests to the district engineer's office. The School Site Council would see that it got done. Fair and clear discipline policies and procedures would be set and implemented by the School Site Council. Curriculum would be the responsibility of the local school — within some overall guidelines set by the central board.

School-based management and problem-solving through the School Site Council appeal not only to principals but also to classroom teachers who want a stronger voice in the decisions affecting them. Under the centralized system classroom teachers are tired of being blamed for the failure of students. If they are going to be held accountable for the performance of students, they want to have more say about the education being offered.

Parents, too, are demanding a stronger voice in school affairs. Parents are more interested in their children's school than in the politics of the central school administration. Many parents are employed. If they take time for involvement in schools, they want it to be meaningful.

In the School Site Council, parents would have some power to influence what happens at the school, rather than be called upon for peripheral activities like fund-raising. Making decisions about how allotted resources — staff and equipment and materials — are to be used is a far cry from raising money for books, pencils and equipment that should be provided by taxes in the first place.

On the School Site Council, parent representatives, in collaboration with the principal, teachers, students and community representatives, would have the power and responsibility for shaping the school experience of the children.

Students are the most excluded group in the present decision-making process. Yet they have the most at stake in what happens to them in the school. Research is showing that student involvement in the schools' decision-making process decreases alienation and increases student investment in the academic life of the school.

Persons who are part of the problem must be involved in developing the solution. Including elected student representatives of the School Site Council is one way to practice the democratic values and collaborative problem-solving that they will need as adults.

When parents, teachers, the principal and students have the power to run their schools, they also have increased responsibility and an investment in seeing that schools work.

It's being done elsewhere — it can work in Philadelphia, too.

*(Kathe Zepernick is cochairperson of Parents Union for Public Schools in Philadelphia.)*

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Mr. **Gray**. Congressman Dellums.

The **Chairman**. Ms. Sider, there is always one other rather insidious thing about the proposal for block grants.

What may very well be happening before our very eyes is that we preclude the possibility of a national movement focused on Washington, D.C., to bring pressure for very basic and fundamental policy changes and progressive policy for our people. We end up with people fighting in 50 different places around the country, so that you negate the possibility of a national movement. And that is one of the insidious things that I see. That you then have people struggling at State capitals all over the United States, reducing the struggle, then, to 50 different battles in 50 different State capitals; people all fighting over who gets the lion's share of the crumbs, rather than the ability to develop a national movement focused on Washington. So I see a rather insidious thing in the policy suggestion that we move to block grants.

Finally, on block grants, I think that the people with the least power tend to be the people who are locked out of the benefits, which is one of the reasons why we targeted need in the first place. So that the people at the bottom of the totem pole, socially, politically, and economically, would be the people who would benefit from these grants. So I see both factors that I would add to the eloquent statement that you have made in opposition to block grants.

You mentioned that the Philadelphia school system is near bankruptcy. Now, I am sure that the Philadelphia school system, as most other school systems, or virtually all school systems around the country have been dependent on Federal dollars over the years, particularly in recent years. These dollars are a large item in the budget. School systems now plan on Federal moneys.

If the President's budget-cutting proposals are to be implemented, the Graham-Latta amendment, for example, that passed the House, which forced the Labor and Education Committee to cut something like $11.5 billion, that that big ticket item in the Philadelphia schools would be reduced to a rather insignificant amount of money.

Is it your judgment, then, that given these cuts, that the Philadelphia school system would become bankrupt, or is there any potential for picking up those programs at the local level? And if you are optimistic about that, tell me why.

Ms. **Sider**. Just last Wednesday, I believe it was, Parents Union had its monthly meeting with Dr. Marcase and his staff—rather with his staff, and Mr. Honesey, who is field operations head, addressed that very thing in really a very pessimistic fashion. He was outlining some of the cuts that are almost certain and others that are possible. And was just giving a very gloomy picture of what will happen in the future if the worst scenario happens. I am not a budget expert. There are other people who can answer that kind of question. So I don't want to predict bankruptcy or not. But the picture is very, very dim.

The **Chairman**. Are they talking about closing schools, laying off teachers, cutting back on course offerings, eliminating the recreation programs?

Ms. **Sider**. All of the above, plus library teachers. Many of the desegregation programs that have been just instituted in the last few years Mr. Honesey is particularly concerned about having to be cut out, because of lack of Federal funds.

The **Chairman**. You mentioned a number of programs that are going to be cut back severely as a result of the recommendations. One of them is the child nutrition program. As you know, the President has stated that there is a safety net that will catch the tremendously needy children. I have talked with a number of school administrators that have indicated to me that you cannot cut the kind of money that is anticipated being cut from the child nutrition program and assume that you could still serve even the tremendously needy, if we could agree upon the definition of the tremendously needy. They are saying if you cut those kinds of resources, there will be a number of places where they have to shut down the service, which means even the so-called tremendously needy would not benefit from the child nutrition program. Can you comment on that?

Ms. **Sider**. I don't understand the full import of your question.

The **Chairman**. My question is essentially, in Philadelphia, if there are significant cuts in the child nutrition program, do you think all of the children who are tremendously needy in the city of Philadelphia will benefit from the child nutrition program given the cuts?

Ms. **Sider**. I don't see how that would be possible. I think there is no doubt about it, that as you have said, in terms of what happens if instead of one consolidated fight in Washington it becomes a fight among 50 different States, I think the same is true at each State level. There will be different groups vying for the same funds, and those again with the least power are the ones who will lose most, and the children, parents, poor people are the ones who will. So I think there will definitely be a detrimental effect as a result of that.

The **Chairman**. You mentioned the future. Has your organization discussed what you perceive to be the cumulative effect of all these cuts?

Ms. **Sider**. I think what the Parents Union has tried to do as we think about the cumulative effect, and the very dismal picture that we see of the future, is to remind ourselves rather of who we are as an organization. Something we have learned over the years is try to be less of a reactionary group against every emergency or every crisis that comes along, because they seem to come one after the other in the Philadelphia public school system. What we are learning to do is see what our unique contribution can be, which is to organize parents, which is to recognize that some things are solved by more than dollars.

And parental involvement—we as a voluntary organization have shown that parental involvement takes a lot more than dollars. We have been there in the schools monitoring and holding the school system accountable in a variety of ways. We have been able to do that without money. So I think our view would be let's focus in on what we can do uniquely as a parent group, and that there is power in that.

And I would just draw attention to one of our Op-Ed pages—"Schools should be returned to the consumers." The better schools operate on more than money. I think that is the approach we try to take as we move to the future.

The **Chairman**. Mr. Chairman, without objection, I would request that the Op-Ed piece become a part of our record.

Mr. **Gray**. Without objection, it will become a part of the record.

The **Chairman**. I just have one additional question. You mentioned in your closing remarks that your organization opposes tuition tax credit. Do you perceive tuition tax credit as a direct threat to the concept of public education, and if so, tell us why?

Ms. **Sider**. We certainly do. Besides the lost of $4 billion to $7 billion by the Federal Treasury, the tuition tax credit plan spells, we think, inequality for children from poor families. It undermines our public school system, which has been a cornerstone of our democratic society. And it does raise the serious constitutional issue of the separation of church and state.

It just seems to us that when tax credits are given across the board, that is still only partial funding for a private school education that will be taken up by those from middle- and upper-class families who will be able to afford a private school education with a little bit more funding. It will not allow poor people, again, to benefit from it. It will not only devastate the public school system, it will harm the effort and the focus on quality integrated education, because once again many of the poor people who will not be able to afford it are black and other minorities.

The **Chairman**. One statistical question. Ms. Sider, is the school population in Philadelphia on the rise or on the decline, and can you explain why?

Ms. **Sider**. It is on the decline—primarily because of population changes. But also it is very true, and I don't have the statistics, that vast numbers of parents who are able to have left the public school system. There is a very large private and parochial school population in the city.

The **Chairman**. I don't know if you were here earlier when I mentioned that a trend in some cities is for middle-income families, irrespective of race, moving out of the center city into the suburbs, ostensibly for better schools and whatever, and that what is happening in the urban center is that the financial base upon which the public schools are able to function is eroding as more and more middle-income people move out of the city, leaving the financing of the public school system to a smaller and smaller base, and in some instances a base that, on the one hand, has a diminished capacity to pay the taxes or a population that is not interested because they don't have children.

Ms. **Sider**. That is very much the case in Philadelphia, indeed. It is why we feel that it is so important for us to receive, in order to make up for that inequity, the kind of funds that we have been receiving through title I and other Federal programs.

The **Chairman**. Or public education as we have come to know it will no longer exist.

Ms. **Sider**. Indeed, that's right.

The **Chairman**. Thank you.

Mr. **Gray**. Thank you, Mr. Dellums. At this time, before we continue the questioning, I would like for Dr. Watson, who is vice president of Temple University, and who for many years was an administrator in the Philadelphia school system, to give us his testimony. Then we will continue the questioning jointly.

Dr. WATSON. Thank you very much, Mr. Chairman. Thank you for the opportunity to appear before this committee to express a few opinions and provide some comments.

Mr. Chairman, Representative Dellums, Representative Dymally, one of today's urban problems which requires immediate attention in the form of an effective national policy is education. While it is true that many federally funded services have been reduced by cuts in the Reagan administration's budget, education has sustained budget cuts much deeper than most. While it is true that educators must be prepared to accept reductions proportionate to those imposed on other federally funded services, education has been asked to bear a disproportionate share of the burden. For instance, education funding has been reduced 25 percent below the Carter budget. This is a rate that is 3½ times greater than the overall budget reduction of 7 percent. When this discrepancy was brought to the attention of David Stockman, Director of OMB, he commented that these cuts represent the Nation's priorities.

Seemingly, another national priority must be to reduce college enrollments by as much as 50 percent. This is what may happen if the current proposals of the Education and Labor Committee regarding the student loan program are approved.

Those proposals now under consideration by the Education and Labor Committee include: charging student borrowers an assessment fee of 3.5 percent of each loan at the time the loan is awarded subtracting that fee from the face value of the loan; limiting loans to students whose family incomes are $25,000 or less. Students whose family income is above $25,000 must prove need for loans; and, in the special category of student loans to parent borrowers, increasing the loan interest rate from the present 9 percent to 14 percent.

It has been estimated that these proposals will have the effect of depriving 50 percent of the students who now qualify for loans of their eligibility. Needless to say the $25,000 cutoff will hit middle-income students the hardest. Middle-income students comprise the bulk of the recipients of guaranteed Federal loans.

Let me say parenthetically that $25,000 is family income, and as you know, in America today an increasing percentage of people where both the mother and the father work, particularly among minority and poor families, the only way they get above the poverty level is that both members of the family work, and they provide opportunities for their children to be taken care of, mostly at their own expense, because we don't have the appropriate day-care facilities in this country to take care of young people while their parents are out working just to keep up with the cost of inflation.

At Temple University alone, during the 1980–81 school year approximately 10,000 to 12,000 students were recipients of the guaranteed student loans.

Recent figures indicate that the potential for loss funds at Temple University as a consequence of tentative Federal allocations is staggering.

The potential loss of guaranteed student loan funds is $10 million for the 1981–82 school year.

The potential loss of Federal allocations for the national direct student loan is $426,410; for college work study programs, $225,599; for supplemental educational opportunity grants, $35,000; for basic educational opportunity grants, $900,000.

While loss of funds through all sources would have serious repercussions for institutions of higher education, the proposals which effect the guaranteed student loan program could cause the greatest impact on institutions of higher education. For instance, instituting a need criteria would increase the work flow tremendously as all loans would have to have a need analysis test performed. For Temple University that means an additional 6,000 students who would have to be processed. Our best estimates would indicate of those 6,000 students, no more than 25 percent of them having gone through the needs test would be able to qualify for those loans.

Currently, there is no income criteria; therefore only the loan application has to be processed. Second, students will be eligible to borrow less money when a needs test is performed. In summary, the workload stands to increase by 6,000 needs analyses in addition to the potential loss of $10 million.

The unavailability of funds to a university, translates into students who will be unable to obtain funds for the completion of their college education. For Temple University there is a special need. This is a working class university. This university was founded almost a hundred years ago by Russell Conwell, who created Temple University with one idea and no money, and that is that the children of the working poor ought to have the same opportunity to develop their God-given talents and to develop their potential, and to go into education and into the professions the same way those who came from families who had the means and the background to guarantee that that would be done. And that is the genesis of Temple University, because it provided those opportunities for poor people which otherwise would not have been provided.

And I want to remind the members of this illustrious committee that in those days, this was a totally class-biased as well as a race-biased system, where only those who came from backgrounds where they could have that opportunity—have the opportunity to develop their talents and to use their brains and through generations of people to make their contributions to this country, to pay taxes and help make America what it is.

And if you gentlemen are successful in the Congress in standing up for what America is about, we will be able to turn around some of the things of those who are represented by the Reagan administration who want to return America to what it was in the 19th century.

And while these figures merely tell part of Temple University's story, much can be generalized to other institutions of higher learning with respect to proposed cuts in the education budget. Large State institutions and small private schools with their high operating costs will be adversely affected by cuts in student aid.

In elementary and secondary education, as the Reagan administration's budget cuts take their toll on local urban education budgets, a major concern—the most dangerous, it seems to me, thing which has been proposed by the current administration is the elimination of the maintenance of effort provision, which has always characterized title I and a number of other titles of ESEA of 1965.

What that means is instead of taking the Federal money which congressional intent was to supplement the money which was already being spent on education, it can now be used in place of. What that means to poor people, and since minorities are overrepresented among the poor, it means that rather than that money being put on top to deal with the deficiencies, and the inherited and the continuous disadvantages which come to poor people and minorities in this country, it means they can take that Federal money and use that for poor people, while the operating budget, which would not come from the Federal coffers, can be used to educate the other people.

What that means, in effect, is that those people who already start four or five steps behind when they come to school will get further behind because what the congressional intent was in 1965 when the ESEA was passed and what has characterized title I with their targeting and with requiring the maintenance of efforts and supplementary funds to be spent on poor people, which by the way has resulted in the dramatic gains in reading and in mathematics which have been documented for the Congress, and I don't need to go through that, will be lost at precisely the time when the payoff has come, so that we are beginning to give poor people in this country and minorities in this country who are overrepresented among the poor the opportunity to compete equally.

As moneys and resources become scarcer many local educational agencies will be tempted to use Federal funds which have been targeted for the disadvantaged, such as title I, or the handicapped education, for the local operating budget. This will further erode the quality of education in urban centers for those who sorely need it. This problem, too, must be addressed as we face the future of education under current budget proposals.

President Abraham Lincoln once asserted that the only legitimate object of government is to do for the people whatever they need to have done but cannot do for themselves in their separate and individual capacities. Furthermore, Lincoln believed that education is the most important subject which we as a people can be engaged in.

It is unfortunate that the Reagan administration has demonstrated by its "priorities" that it does not share Lincoln's sentiments.

[The prepared statement of Dr. Bernard Watson follows:]

### PREPARED STATEMENT OF DR. WATSON

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And, in the special category of student loans to parent borrowers, increasing the loan interest rate from the present 9 percent to 14 percent.

It has been estimated that these proposals will have the effect of depriving 50 percent of the students who now qualify for loans of their eligibility. Needless to say the $25,000 cutoff will hit middle income students the hardest. Middle income students comprise the bulk of the recipients of guaranteed federal loans.

At Temple University alone, during the 1980–81 school year approximately 10,000 to 12,000 students were recipients of the Guaranteed Student Loans.

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While these figures merely tell part of Temple University's story, much can be generalized to other institutions of higher learning with respect to proposed cuts in the education budget. Large state institutions and small private schools with their high operating costs will be adversely affected by cuts in student aid.

In elementary and secondary education, as the Reagan administration's budget cuts take their toll on local urban education budgets a major concern will be whether or not local education agencies are in compliance with the maintenance of effort laws--these laws which insure that federal funds will not be used to substitute for local tax revenues. As monies and resources become scarcer many local educational agencies will be tempted to use federal funds which have been targeted for the disadvantaged, such as Title I, or the handicapped education, for the local operating budget. This will further erode the quality of education in urban centers for those who sorely need it. This problem too must be addressed as we face the future of education under current budget proposals.

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It is unfortunate that the Reagan administration has demonstrated by its "priorities" that it does not share Lincoln's sentiments.

Mr. GRAY. Thank you very much, Dr. Watson. Let us continue the questions.

Mr. Dellums, would you like to continue the questions now that we have had both witnesses testify on education?

The CHAIRMAN. Thank you.

Dr. Watson, some people have suggested that if the student loan program, the proposed cuts go through, that a number of universities will have their enrollment diminished significantly.

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If the enrollment diminishes significantly, then that would have further eroded a support base for the institution, the academy. And that means that universities such as Temple would either have to reduce course offerings, reduce enrollment, or close their doors.

Will Temple be significantly affected in that regard if these student loan cuts go through?

Mr. WATSON. Yes, it will; 70 percent of our students receive one kind of financial aid or another. As I indicated, this is a working class university. It was created for that purpose.

The CHAIRMAN. What would we have to do to meet the realities of the future, if the cuts are there, and there are no State or local funds?

Mr. WATSON. What we will have to do is what we have already done. That is to raise tuition. We have raised tuition for the last 3 years. This year we raised it close to 15 percent. And every time we raise tuition, we make it impossible for certain students to come to this university.

Moreover, because many of our students are the first generation of students who have ever attended higher education, $100 difference or $200 difference can mean that the parents of that student will make the decision not to go into higher education but to go out and try to find a job and not to use the talents and ability that they have, which means that they will not be able to compete in the kind of society that we are facing in the eighties and nineties.

Moreover, what it means particularly in a place like Temple, which is a State-related as opposed to a State-owned university, we only get a part of our budget from the State, the other part we have to raise through tuition, research and development money, program development money, from the Federal coffers, from foundations and all of that.

It means that if we cannot close that gap, it means that we have to make cuts in faculty, cuts in support staff, and cuts in all of the things which make it possible for those who start with the disadvantage already—not only to enter the university, but to successfully negotiate academia, and graduate with degrees.

The CHAIRMAN. You have painted a very, very dark picture. It seems to me the statement you have just made, coupled with the reality that public institutions of higher learning totally funded by public moneys are facing budget cuts, they then are having to reduce their course offerings, release faculty members, reduce their enrollment.

Then you have institutions like Temple, who are quasi-private institutions having to raise their tuition. I see a world down the road where we really have returned to a very elitist system of higher education, just simply by virtue of the numbers of people who have the capacity or who are able to compete for the few shrinking available slots in higher education.

Mr. WATSON. That is exactly correct. Let me embellish that for a few minutes.

The fact that black Americans and Hispanic Americans have increased their percentage of participation in higher eduation over the last decade and a half is not because those people suddenly got smart or suddenly had higher motivations or suddenly understood the value of higher education.

Simply put, it takes money to go to college. And because the Federal Government, through a variety of programs, made those funds available first to the institutions and then in your wisdom made it available to the students, enabled them to go to school. And that is why they have enrolled in record numbers in higher education, both at the community and junior college level, and also at the level of higher education.

And without those funds behind them, they would not be at that percentage of the population, which for black Americans is almost 11 percent now. And every cut in financial aid to black Americans, to Hispanic Americans, and to poor Americans is going to reduce that percentage of participation.

I am old enough, Congressman, to remember when none of that was available. I went to school as a 17-year-old freshman when the people came back from World War II. And I went to school with the people who came and went to school and became surgeons and lawyers and social workers and teachers and physicians and chemists because the Federal Government underwrote their education under the GI bill.

That was the second great wave of democratization of higher education in America. The first wave occurred when they created the great State universities, which were funded by the State and made it possible for people who came from the grass roots, who did not come from wealthy families, to go into education.

And the third and most important level came when those Federal supports, financial supports for higher education, were made available. And for every step we take backward in that kind of support, we are eliminating important numbers of people who ought to have the opportunity to develop their talents and become contributing members of this society.

The CHAIRMAN. I appreciate that answer.

Now, speaking to those human beings that you just alluded to, you mentioned the dramatic increase in the number of blacks and other Third World people matriculating in institutions of higher learning in the last several years, and that if these cuts go through, the multiplyer effect across the board will be to diminish that capacity.

Women have also dramatically increased. There was a time when women in law schools were an insignificant number of the women on college campuses. There has been a dramatic increase in the number of women in the colleges. Will women be adversely affected as well in the same manner, or similar manner?

Mr. WATSON. Of course they are going to be affected as well. The largest increase in the number of women coming into higher education in the last number of years has been those who either raised their children to the point where they can now go to school, and who qualify for certain kinds of financial support, on those changing careers after their children are grown and they are no longer housewives and come back, and can qualify for a number of programs, of which Temple has several, which provide the kind of support for them to come back into higher education.

And the fact that the population shift has occurred in this country, so we have now reached a point where women outnumber men in higher education. They already live longer than we do.

And some of us believe that they have always been smarter than we were. But because of the sexism which has characterized the society, have not been able to take advantage of opportunities which were available to men, and will affect them. Not only that, a figure which I will give you only for the testimony, but which you know very well, is that many of our households are headed by single women who are forced to raise families and who have to work at the same time.

And without the opportunity for them to qualify for certain kinds of financial support, they cannot maintain families and go to college at the same time. And if they are forced to be thrown back upon their own resources, they will be denied the opportunity for higher education.

The **Chairman**. I thank you very, very much for your answer to my question.

Mr. **Dymally**. A question of Ms. Sider.

In recent years there has been a trend toward the establishment of alternative schools. Is there such a trend in Philadelphia?

Ms. **Sider**. Yes, indeed. There are many alternative programs in the Philadelphia school system. There is a book about that thick that outlines them. They are both schools that are seen as alternative schools, and then there are programs within individual schools as well that are seen as alternative schools.

One of those is the magnet school program that has been instituted as a way of implementing the voluntary desegregation program. There is a school for engineering and there is one for creative and performing arts.

There are some magnet schools that emphasize the back-to-basics approach. There are alternative middle schools in a number of areas of the city that have a more flexible schedule. There is the parkway program. So that there is a greater variety.

Many of them were instituted not in the present administration but the past administration—I think even Dr. Shed had a lot to do with opening a lot of these programs.

Mr. **Dymally**. Has the flight of middle-class families to suburbs affected the quality of education in the central cities?

Ms. **Sider**. I think the quality of education is always affected by those people who are there holding the school accountable or the people who are not there holding the school accountable. And as people with the skills and the time and the ability to do that task of holding them accountable move out, there is definitely a measurable effect.

Mr. **Dymally**. You said there were some cynics who felt that Philadelphia ought to be sliced off and floated down the Delaware. There was a time when a man by the name of Governor Reagan was fighting the Federal Government and some Members, my friends in Congress, thought they ought to slice California off to flow down the Pacific and join Mexico. We are beginning to think perhaps they were right.

Ms. **Sider**. No comment.

Mr. **Gray**. Mr. Dellums.

The **Chairman**. Mr. Chairman, I just have one question.

Besides the student loans, in what way can the Federal Government assist students in the universities?

Mr. **Watson**. There are two ways, Congressman Dellums. The first is that if the Congress had had the wisdom to deal with the congressional Black Caucus counterbudget, which was the finest document I think to ever come out of that group—and I read it carefully, and it met everyone of the requirements that President Reagan and his cohorts wanted, and it was the best kept secret in America.

But since they chose not to do that, one of the things that you can do in the Congress is to make sure that as you meet the individual requirements, the specific requirements that fall on the budget which has been passed by both Houses of Congress, that you target every one of those cuts for two reasons.

I don't know if you can do that. One is to see to it that you create your own safety net, because I have some serious problems with the size of that net and how many holes are in it.

The second thing you can do is to have a vote on each line item so we will know who the Congressmen are that we can hold accountable for that.

The **Chairman**. Thank you.

I thank you very, very much.

Mr. **Gray**. I want to thank the panel, Dr. Bernard Watson, and Ms. Sider, for your eloquent testimony.

I think all of the questions have been asked very thoroughly by my two colleagues. You have answered them all.

I am left with no questions.

I just want to thank you for your testimony.

Let me at this time thank the chairman of the District of Columbia Committee, Congressman Ronald Dellums, who has brought the District of Columbia Committee here to focus on these urban problems.

And also my colleague, Congressman Mervyn Dymally, who serves on the District of Columbia Committee, for coming and sharing with us.

And also the staff of the District of Columbia Committee for coming.

The information that has been gathered here will be very helpful to us in Washington as we complete our legislative duties and look forward to an agenda that deals not only with the problems of Washington, D.C., which we have specific legislative mandate for, but also help us in determining what legislative initiatives are needed in the decade of the eighties for the rest of urban America.

Let me also say at this time that due to the lateness of the hour, and the fact that my two colleagues——

The **Chairman**. Would you yield to me?

Just before we adjourn, I would simply like to say to all of you, I really deeply appreciate and thank all of you for taking the time out of your busy schedule to contribute to these proceedings.

I think all of us in this room are aware of the fact that we are challenging enormous odds. Those of us on this side of the table and you on the other side of the table. In that regard, we may very well feel that we are very lonely people.

We are taking this committee out on the road because we are absolutely convinced that if all the lonely people get together, we won't be lonely any longer, and we may be powerful enough to redirect the course of history. I think that is terribly important.

We are taking this rather insecure committee—obscure committee, not insecure—insecure and obscure—because we are due to go out of business one day soon, to take this committee out on the road and try to focus on the incredible problems of the urban environment, the metropolitan problems, the myriad of human problems that confront us in the cities of this country are astronomical.

It would seem to me rather than manipulation of numbers, what is going on at this moment is a radical reality ring of policy, a redefining of the role of government in people's lives and a basic assault on some very fundamental values and principles in this country.

And the degree to which this obscure, insecure committee can focus some attention on that reality, we will continue to move.

I would like to thank my colleague, Bill Gray, for suggesting that we come to Philadelphia. You have been very warm to us. And I appreciate all the time and effort.

VOICE. What can you do here in a day? It should take a week.

The CHAIRMAN. I know we have to leave. I would just say—we undertand we cannot do it all in 1 day. We are simply human beings. I represent a district in California, but I am in Philadelphia because I am a citizen of this country and of the world. I feel I have some profound responsibilities.

We could stay here a week, and someone can say we cannot do it in a week.

I am only dealing with some very clear realities.

The motives of this committee are lofty. We are trying as diligently as we can. We are confronted with a great deal of limitation—budgetary, time, and the fact that we all have constituencies out there in the community. We have to provide those resources.

I am required by law and by motivation and my values to represent a whole range of human beings on a whole range of questions, including all of that, we are still trying to take this committee out on the road.

If you have some anger, direct that anger at the people who are not here, and direct that anger at the people who ought to be holding these hearings.

Mr. GRAY. Thank you, Mr. Dellums.

Mr. Dymally.

Mr. DYMALLY. Mr. Chairman, I want to commend the chairman for having the foresight and insight to bring this committee here, and you, Congressman Gray, for bringing together witnesses.

Mr. Chairman, I want to commend the witnesses for their very profound observations, their eloquence, and the timeliness of their statistics and data.

Thank you very much.

Mr. GRAY. Thank you, Mr. Dymally and Mr. Dellums.

Let me again thank all of the witnesses and all of you who have been here.

Let me just say two things: One, by unanimous consent the record will remain open for an additional 7 legislative days which means that many people who are not here, including some who are here, who could not testify, we will be glad to receive your written testimony—if you will send it either to Congressman Ron Dellums, Washington, D.C., or to me, it will become a part of the official record, just as any of the testimony that has been submitted by any of the persons sitting at the witness table.

Second, let me point out, as Congressman Dellums has already stated, that we have brought this hearing here as one of the continuing efforts to bring congressional hearings to the people, to the grassroots, and to have the opportunity for people who cannot go to Washington, D.C., who normally sit before us, who are primarily paid professionals, who lobby in Washington, so that voices at the grassroot level could be heard.

I think if you look carefully at the witnesses who were before us today, you will see a mixture which represents urban America. We represent, as we make laws, not simply one segment, but all segments.

We try to give that rainbow or that cross section to all of the witnesses. We have not covered the gamut. This committee could be here for 2 weeks to 3 weeks, to gain all of the information that we would like to have. Unfortunately, it is impossible to do that. But in our attempt to bring Washington to Philadelphia, as we have done on at least three other occasions, we have provided the opportunity for people who represent government locally, who represent grassroots locally, to come before congressional committees and give testimony. That is what has happened today.

I, too, am very sorry that this committee could not stay in session in Philadelphia for the next 3 weeks in light of the problems that I know that exist in Philadelphia. And as well as you know that exist in the city of Philadelphia.

However, I would like to point out that many of the things that have been shared here will be utilized in the formulation of legislative policy. It will be utilized to bring together a large segment of people in Washington to begin to address carefully what has already been stated by Congressman Dellums, that maybe we are not alone.

I think we have heard people here say that unless these policies are corrected, there maybe violence.

Again, I want to thank those of you who have come and listened and invite you to submit written testimony over the next 7 legislative days which will mean next Tuesday. Your testimony will become a part of the record.

This committee stands adjourned.

[Whereupon, at 4:50 p.m., the committee was adjourned.]

[Additional material submitted for the record follows:]

North
NORTH CENTRAL ORGANIZED REGIONALLY FOR TOTAL HEALTH
PROGRESS HUMAN SERVICE BUILDING ⊙ 1415 North Broad Street Room 118
Philadelphia, Pennsylvania 19122 Telephone: 97[illegible] - 6100

PUBLIC HEARING
REGARDING
SOCIAL ISSUES IMPACTING UPON
THE PHILADELPHIA COMMUNITY

MONDAY, JUNE 15, 1981
RITTER HALL, TEMPLE UNIVERSITY
PHILADELPHIA, PA

My name is Jurene Aiken-Jones. I am Executive Director of Northcentral Organized Regionally for Total Health, Inc. (NORTH, Inc.). NORTH is a non-profit community-based Organization located in North Philadelphia, but providing services to residents,, particularly low-income, high-health risk individuals,of the entire City. Our general mission is to improve the general health and well-being of community residents. The Organization represents over twenty-five community, health provider organizations & institutions in Philadelphia County.

Currently, one of NORTH's function is to serve as the umbrella organization for the Special Supplemental Food Program for Women, Infants and Children (WIC Program) in Philadelphia, PA. We are very concerned about the proposed cut in the WIC Program, as well as other nutrition program, in the Federal Budget for the next fiscal year.

As you are aware, WIC has been found to be cost effective. In 1978, "A Havard University study of pregnant women in Massachusetts found that the Birth Weight of infants born to WIC women were significantly higher than those of the non-WIC control group. The incident of low birth weight which is often associated with disabilities such as blindness and retardation, was substantially lower for the WIC group (6.0 percent) than for the non-WIC group (10.1 percent), the Harvard Study found that each $1 spent in the prenatal component of the WIC Program saved $3 in hospitalization cost due to the decrease in low birth weight infants."

We have seridus reservations about potential short run savings gained by cutting dollars aimed at increasing the nutritional and health status of high health risk women, infants and children. This action will potentially result in long run losses through dollars paid out for health care of these same persons. As you aware, WIC not only provides a supplemental food package, but it makes available nutrition education and fosters access to health care which contributes to a healthier family.

We urge that these points are thoroughly discussed and strongly considered as a final decision is being made concerning the Federal Budget for the next fiscal year.

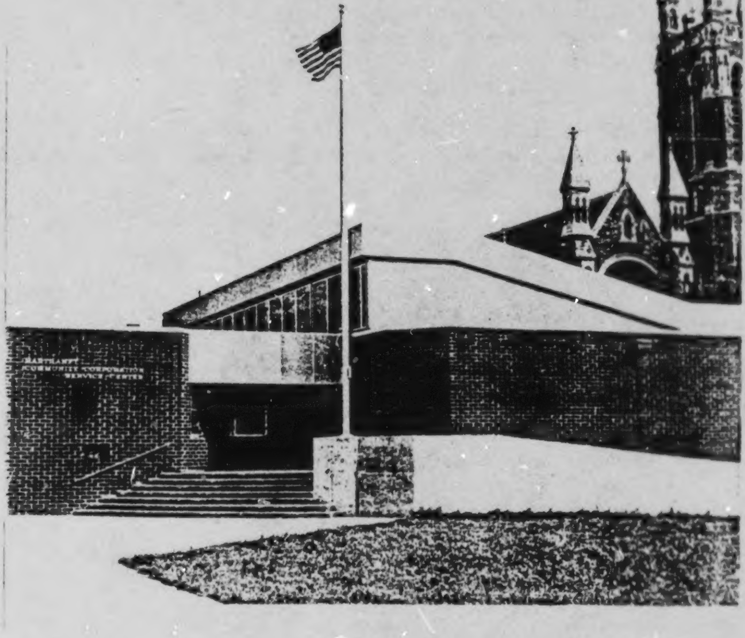
Finally, we would like to comment on the concept of "Block Grants" to the State. It is our opinion that this approach may be extremely detrimental to the Community. This approach could lead to "in-fighting" among the various social programs, as well as, a drastic decrease in the efforts to coordinate as each individual program attempts to maintain its own survival. We urge an approach that would, indeed, foster greater coordination, to the extent that the available dollars can be used to serve the greatest number of eligible persons.

On behalf of the Board of Directors of NORTH, we would like to express our appreciation for the opportunity to provide input and to express our views.

Thank you.

cc: William T. Samuels

# Hartranft Community Service Center


HARTRANFT
COMMUNITY CORPORATION
SERVICE CENTER

In 1967, a handful of residents in the downtrodden remains of the area east of Broad Street, agreed to challenge the prevailing decay of their community.

Representatives of the local community council screened the area, selected its leadership and formed a 24 member Board of Directors. Forming the framework of the Hartranft Community Corporation, the board hired a staff and set about cutting red tape to deliver direly needed services to residents of all ages and ethnic groups. The Board actively monitors community concerns and directs a staff through an Executive Director. Members of the Board are long-time residents of the community.

Today, the Hartranft Community Corporation has three outreach action centers, a main office staff and two components serving the senior citizens and youth groups. Partially crowning their efforts was the Multi-Purpose Services Center completed in 1973.

Located at the junction of 8th,9th, Cumberland Streets and Germantown Avenue, it is one of a complex of buildings which has changed the formerly bleak appearance of the neighborhood.

Standing nearby, at Vandergrift Square are the Hartranft Community School, from which the corporation took its name, a stately Roman Catholic Church, St. Edwards' and a playground.

The Hartranft Community Corporation program is the link-between failure and hope for many of the people. Its visibility should be high for the awareness of those in need. To thwart the dangers of decline, Hartranft Community Corporation symbolizes a place where the future is in the making.

The Multi-Purpose Services Center is a split level design with two wings; the service wing to the south overlooking Vandergrift Square and the northern wing adjoining Veteran's Playground for recreation. The building features a spacious auditorium, modern day care facilities, Multi-Purpose meeting rooms, adjacent off-street parking, and a swimming pool in the recreation wing. Tenants offering direct services to the community, i.e., Community Based Services of the Department of Public Welfare, School District of Philadelphia-Headstart and Adult Basic Education and City of Philadelphia Adult Probation Department are housed in the center.

Some other service agencies active in the area, include; Comprehensive Group Health Services, Ile-ife Black Humantarian Center, OPEN, Incorporated, Casa Pian, Neighborhood Action Bureau, Lighthouse, Concilio, Philadelphia Parent and Child Care Center, Onwards, Incorporated, Holy Cross King Center and the Salvation Army, each with its' own role through coordinated efforts. Hartranft Community Corporation needs the support of those who believe in the future of this community.

Dedicated to a continuing long-range program for community improvement in the North Philadelphia community, east of Broad Street, Hartranft is a non-profit community based organization, which provides those short-range social supports necessary to combat the poor and socio-economic conditions which affect target area neighborhoods, through component programs in youth, senior citizens, housing and information and referral, designed to service the residents of Hartranft. Membership in the organization is open to all persons living or working in the HCC area and there is no charge for our services.

Hartranft provides technical assistance to residents and other area organizations, enabling them to have increased participation in community development and other City of Philadelphia program activities.

Hartranft provides a means for the citizens to organize, to define community problems and to implement programs aimed at improving the quality of life; social and physical.

Hartranft acts as a coordinating body for many area activities and aids community residents in getting proper assistance from local agencies. In addition to establishing priorities of the area, based on community responses, Hartranft also acts as a resource to smaller and less structured entities within the community in an effort to curb social ills.

Hartranft serves an impact area of 480 blocks with a population of approximately 40,000. The area is bounded by Broad Street, Front Street, Columbia Avenue and Allegheny Avenue.

# URBAN CENTERS, WASHINGTON, D.C., AND THE FEDERAL ROLE

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TUESDAY, JUNE 30, 1981

House of Representatives,
Committee on the District of Columbia,
*Washington, D.C.*

The committee met, pursuant to call, at 9 a.m., at the Museum of Science and Industry, 700 State Drive, Exposition Park, Los Angeles, Calif., Hon. Mervyn M. Dymally presiding.

Present: Representative Dymally.

Staff present: Donn G. Davis, senior staff assistant; Victor Frazer, staff counsel; and Margaret Wright, minority staff counsel.

Mr. **Dymally**. The Committee on the District of Columbia is hereby called to order.

I regret to say that our chairman became ill and is unable to join us today.

It is indeed a privilege and a pleasure to welcome the witnesses at today's hearing before the full Committee on the District of Columbia.

We would also like to welcome those staff members who have come all the way from Washington, and the committee witnesses who have brought a wealth of knowledge, gained through experience in dealing with the problems confronting the Nation's cities, Los Angeles in particular, and the surrounding communities.

It is our intention to examine the problems of our cities, focusing on the problems of youth, unemployment, crime, housing, education, labor, and the resurgence of youth gangs. We will also attempt to assess what role the Federal Government should play in assisting American cities to find solutions for eradicating these destructive forces.

This hearing is the second in a series being held by the committee during the 97th Congress. It is our hope that we will be better able to confront these urgent problems in the context of the present administration's program.

We will ask the witnesses to submit their statements to the committee, and that will be made part of the record, and then we will summarize their statement to the committee and leave the maximum amount of time for questions and answers.

Later on we will be joined by Congressman Dixon, and, hopefully, Congressman Hawkins.

Our first witness today is Mr. James Bascue, deputy district attorney, county of Los Angeles.

The committee was very interested in hearing the testimony of the district attorney of Los Angeles because in our first meeting in Philadelphia, the district attorney there made mention of Van de Kamp's presence in Washington not too long ago in a meeting with the deputy attorney general, to discuss the problems of the fight against crime and crime prevention.

As a result of that, I thought it would be very, very appropriate for the district attorney to share his views with us, as did the district attorney of Philadelphia.

Mr. Bascue, we are asking that you give your name and title for the record, and the committee will make your full statement part of the record, and you can summarize your testimony.

## STATEMENT OF JAMES BASCUE, DEPUTY DISTRICT ATTORNEY, LOS ANGELES, CALIF.

Mr. **Bascue**. Thank you very much.

My name is James Bascue, deputy district attorney for the county of Los Angeles, deputy-in-charge, hardcore gang division.

Good morning, Congressman Dymally and staff members.

Mr. **Dymally**. Mr. Bascue, before you proceed, I neglected to make some introductions.

I first want to introduce Ms. Margaret Wright, minority counsel of the committee; Mr. Victor Frazer, the counsel for the Subcommittee on Judiciary and Education; and to my right, Dr. Donn Davis, staff coordinator for the committee.

Thank you very much. You may proceed.

Mr. **Bascue**. In starting my remarks, and certainly contained within the data I produced for the committee, I think the most pressing problem in our urban cities—and I can speak from the Los Angeles experience—I think it is violent youth crime.

Violent youth crime has expanded nationwide. In the county of Los Angeles, it has certainly manifested itself in the manner of gang-related crime and violence.

I want to just illustrate the nationwide scope of this violence by quoting from Professor Miller from Harvard, and the citation is "Violence by Youth Gangs and Youth Groups as a Crime Problem in Major American Cities," December 1975, Washington, D.C., U.S. Government Printing Office:

> Murder by firearms or other weapons, the central and most dangerous form of gang member violence, in all probability stands today at the highest level it has reached in the history of this Nation.
>
> The five cities with the most serious gang problems average a minimum of 175 gang-related killings a year between 1972 and 1974. These figures are equivalent to an average of about 75 percent of all juvenile homicides for the five cities that reach a proportion of half or more in sum.
>
> The three largest cities recorded approximately 13,000 gang member arrests in a single year, with about one-half of the arrests for violent crimes. It is likely that violence perpetrated by members of youth gangs in major cities is at present more lethal than at any time in history.

Miller goes on to state:

> Comparing earlier with later periods in the past decade and the six gang problem cities show significant increases in levels of gang violence in New York, Los Angeles, Philadelphia, Detroit, and San Francisco. This justifies the notion of a new wave of gang violence in major U.S. cities.

Miller goes on to make, I think, probably one of the strongest statements about why the increased violence:

> Probably the most single significant development affecting gang member violence during the present period is an extraordinary increase in the availability and use of firearms to effect violent crimes. This development is in all likelihood the major reason behind the increasingly lethal nature of gang violence.

Congressman, that is, I think, an overview; we are not talking about just a Los Angeles problem. Certainly in the District of Columbia it may not manifest itself in gang problems, but I am sure you are aware of the escalation of youth violence.

The county of Los Angeles, under the leadership of John Van de Kamp, became aware of this problem. I will give you an example of how this violence manifested itself approximately 3 years ago.

Gardena High School, predominantly a black high school, had numerous gang factions on campus. There were peer struggles occurring for who was going to dominate, who was going to be the dominant gang on campus—fights on campus. One weekend there were fights off campus.

On a Monday, on campus, there was a fight during a gym period. One gang faction lost the fight. They went off campus, made a telephone call, and this was a call to the gang called the Crips faction. There were three factions on campus—Shotgun, Raymond Crips, Payback Crips.

They made a telephone call to an ally. They asked for assistance. That Monday afternoon, approximately three carloads of these gang members, ranging from the ages of approximately 16 to 18 years of age, met at Washington High School.

The young man they called was known as a shooter, a hit man for the gang, suspected to be good for approximately five homicides in the community.

These three cars caravaned down to the Gardena High School area. It was about 4 in the afternoon. The students were getting out of high school. They were walking home. It was a residential area.

One young man was Bradley Phillips. Bradley Phillips was an honor student, Eagle Scout, member of the local church, and had never been involved in gang violence. He was sitting astride his bicycle talking to two of his friends.

These three cars caravaned in and the students immediately knew what was going to happen. There was going to be a shooting. All the students started running.

The last vehicle stopped. James McDaniels, 17 years of age, stepped from the back vehicle with a firearm, fires two rounds, hitting two of the youngsters fleeing, shooting them in the backside. They go down. Bradley Phillips is trying to flee. His legs are entangled in his bicycle.

He falls to his knees, a 15-year-old young man. He is pleading for his life. "Please, mister, don't shoot me. I am no Five. I am no gang member. Please don't shoot me." James McDaniels fires two rounds into the chest area of Bradley Phillips and he falls, legs kick in a death reflex. Mr. McDaniels slowly walks over and executes him with a round to the head, walks slowly to his vehicle and drives away.

One of the myths of gang violence is that it is gang upon gang. Absolutely a myth in my county; 60 percent of the victims of gang violence or more are innocent persons, nongang members.

I don't have to remind the people of the county of Los Angeles recently of a young 12-year-old girl who was walking in front of a church, who happened to be in the proximity of where a gang member was walking, and she was mistakenly shot and killed in front of a local church.

Gang violence is wreaking a tragic toll in our county. In response to that, Mr. Van de Kamp asked what can we do better in the district attorney's office. Certainly the law enforcement agencies were marshaling their forces. They were formulating a specialized antigang task force to be more effective.

Mr. Van de Kamp applied to Washington, D.C., a Federal grant under LEAA. From this Federal grant there evolved Operation Hardcore. It started out to be approximately five to six prosecutors who did nothing but prosecute violent gang offenders. Not every case, but what we considered to be the James McDaniels, or the hardcore recidivists

Our theory was if we could be more effective, have one prosecutor follow the case throughout, work with law enforcement to lawfully collect evidence, vertically prosecute the case, we would be more likely to obtain a conviction.

Prior to the startup of Hardcore, in the city of Los Angeles the conviction rate for gang-related murders was approximately 46 or 47 percent. After 2 years of operation under the LEAA Federal grant, Hardcore had a 98-percent conviction rate on gang-related homicides.

Certainly the 2-year program demonstrated that it is possible to be more effective in prosecuting these gang-related cases.

Presently we are a nonfederally funded project. Taking this demonstration project, the county of Los Angeles presently funds 20 lawyers in the county of Los Angeles to do nothing but prosecute violent gang offenders.

I might add that this is subject to review this week. We will find out whether or not Hardcore is going to be in existence after this week due to some serious budgetary revisions.

I think this is a demonstration. You ask what can the Federal Government do in urban cities. I would certainly not suggest law enforcement or prosecution agencies are a panacea to crime. I make the analogy, Congressman, to a house burning. Certainly we must put the fire out before we address the issue of why the house is burning.

Our communities are ablaze, primarily in our minority communities, our Hispanic and black communities. There are people afraid to even walk the streets at night, people who are terrified to call the police because the gang or youth violence is so strong.

They call the police. The police arrest one suspect. That suspect is taken into custody; 20 to 30 of his associates or fellow gang members start intimidating and harassing, burning out, maiming, or shooting the victim or the witness who dared to call the police agency.

We have got to do something to address this issue, to build credibility with the criminal justice system. We are making a start in

Los Angeles County. I would suggest to the committee that one of the things they could do is try and start some demonstration projects in assisting the criminal justice agencies in some of our major cities.

Certainly in LA County we feel if we can remove the violent offender, the recidivist—because we are not trying to do away with gangs per se. Gangs are a social grouping of young people. You have got gangs all over in all ethnic groups.

But it is the violent gang offenders that we want to remove. If we can take them off the street, then the social programs, whatever exists in the community may work because we find those who belong to or join gangs are basically uninvolved young people. They are the people not involved in school, they are not involved in family, they are not involved in church. They are uninvolved young people.

But all the social programing and money we can pour into the community has no effect if these violent offenders are there to harness them into violent means and ways. So we are hoping that by removing these violent offenders, whatever programs are available in the community would have more force and effect.

So, I would urge not only the Federal Government think about funding some demonstration projects to assist the criminal justice system but clearly that are socioeconomic problems that affect violent gang offenders.

Firearms. There is no doubt that there are an excessive amount of firearms in our community today. My particular division was prosecuting four 13-year-old gang members for the crime of murder. They did not have slingshots. They did not have knives. They had high-powered handguns.

One of the strongest suggestions I can ask this committee to review would be that something be done with firearms in our community.

Our society has to seriously address the issue of civil disarmament of firearms.

I have no easy answer for the committee. Every time I go to Sacramento to testify on any kind of legislation dealing with weapons or firearms, springing up on the other side in opposition is our friends from the NRA and other gun folks who want to speak in opposition.

Sometimes I wonder who controls this country, whether or not the NRA has an overly strong voice. Clearly, anyone who is aware of the crime problem in our urban cities must be aware of the overabundance of firearms.

As the citizens in our county are becoming frightened, and lose their faith and trust in the criminal justice system, they go out and arm themselves. They buy a gun for their residence, then this residence is burglarized, then that weapon ends up back on the street and is used for a criminal purpose. Then we seem to have an ever-escalating problem of armament and violence in the community.

Another problem, and something I would suggest the committee think about addressing, is juvenile justice. I speak of youth violence, not just gang violence, but nationwide the problem, I think, is youth violence.

Our laws historically have been a parens patriae. It evolved from the common law where the court is viewed as a parent embracing the minor and "What can I do for you?" There have been tremendous changes.

In the 10 years I have been a prosecutor, I have noticed tremendous changes in the young people. They are getting older younger, if you will. Five years ago to think that four 13-year-old people would be charged with murder would shock me.

I find an increasing level of violence perpetrated by younger people. I question right now whether the concept of parens patriae adequately protects the public. The most dangerous persons in the community at this time are your youthful violent offenders.

I cite you the Rand report of 1978, an article, "Age, Crime and Punishment," by James Q. Wilson and Barbara Boland, spring 1978, in *The Public Interest*. Both of these reports cite statistics showing that the most numerical or quantitative amount of crime is committed by groups between 15 to 19 years of age.

I think that it is time that instead of thinking of crime in adult terms, that we start thinking about some of the more violent and the recidivist youthful offenders who are going to have to be treated more seriously.

So I would suggest to the committee that they start with studying our juvenile justice systems from a nationwide perspective, and perhaps rethink the concept of parens patriae.

Victims and witnesses. I like to think that the Operation Hardcore has been in response primarily to the problems in our minority community because that is primarily where the violence has taken place.

A lot of the success, if not the majority of the success, of our program has been that we have taken the time to try and encourage victims and witnesses to come forward and to testify.

Prior to our existence, and I think a heightened sensitivity by law enforcement, many crimes went unreported, and we had a cycle of self-help or revenge. "I am not calling the police. I will take care of it myself."

Well, we are trying to break that cycle. One of the things we are doing is trying to transport victims and witnesses to court. We keep them in a safe location. We get them in and out of the courtroom safely. We offer them some relocation funds and assistance.

We have got to bring law and order for the legal system in some of the communities terrorized by gang violence. I urge the committee to think about a study or assistance to the victims and witnesses in the urban cities throughout the United States.

Thank you very much.

[The prepared statement of Mr. Bascue follows:]

County of Los Angeles,
Office of the District Attorney,
*Los Angeles, Calif., June 29, 1981.*

Hon. Ronald V. Dellums,
*Chairman of the Committee on the District of Columbia, Washington, D.C.*

Dear Congressman Dellums and Members of the Committee: The Hardcore Gang Division of the Los Angeles County District Attorney's Office consists of 20 trial lawyers assigned to prosecute hardcore, recidivist street gang members who commit violent crimes. The division is presently prosecuting 255 cases, 60 percent or 135 of which are homicides. The 334 defendants charged with these crimes include four 13-year-olds charged with murder, with the median of a Hardcore defendant being 18.

Hardcore started life in 1979, as a 2-year Law Enforcement Assistance Administration (LEAA) funded project in response to the alarming growth of street gang violence. One out of every six murders in Los Angeles involves a street gang member as the suspect, the victim or both. These cases are extremely difficult to prosecute largely due to the intimidation of witnesses by the street gangs. The concentrated efforts of the Hardcore Gang Division have been viewed as a tremendous success by all components of the criminal justice system and the community at large in southern California.

As can be gleaned from the attached program summary, the growth of violent crime committed by youth gang members is, from our perspective, one of the most pressing problems facing urban Los Angeles. Because Hardcore is the only program of its kind, we receive numerous inquiries from all over the country. We have learned from our dialog with these prosecutors and other law enforcement personnel that this alarming growth of violence committed by youthful offenders is a shared urban phenomenon.

The root causes of criminal violence are to a large extent beyond the capabilities of the criminal justice system to deal with. It would perhaps be more appropriate for a broader based entity to address these issues. One cannot, however, take pause to consider too long the cause of a fire until that fire is extinguished. The most pressing need is for law enforcement and the criminal justice system to deal swiftly and effectively with the present generation of violent youthful offenders. The experience of the Hardcore Gang Division indicates that federal assistance is both helpful and urgently necessary to combat the growth of urban crime and violence.

Very truly yours,

John K. Van de Kamp,
*District Attorney*
(By James A. Bascue,
Acting Head, Hardcore Gang Division).

Attachment.

## Program Summary

The County of Los Angeles has witnessed an alarming growth in the level and extent of gang-related violence since the middle 1970's. There were 168 gang-related homicides reported in 1977, as compared with 351 for 1980. An examination of filed gang-related homicide cases handled by the Los Angeles Police Department during 1977, and 1978, revealed a conviction rate below 50 percent for each year.

The Hardcore Gang Section, a special unit within the District Attorney's Office, became operational in January, 1979, as a means of improving the quality of prosecution of gang-related homicides, by identifying select defendants and assigning a single prosecutor to a case from beginning to end, supplying additional investigative support and developing specific expertise in gang violence. The lawyers would prosecute cases in both adult and juvenile courts. The conviction rate for cases handled by the Hardcore Gang Section has improved to 97 percent overall and 100 percent in murder cases.

### BACKGROUND

*The problem*

One out of every six homicides committed in the City of Los Angeles is gang-related. County-wide, gang murders numbered 168 in 1977, 187 in 1978, 276 in 1979, and an unbelievable 351 in 1980. These statistics, however staggering, fail to reflect the tragedy wreaked upon the communities where gang violence proliferates. Witnesses are afraid to come forward, family life is disrupted, property is damaged, the school systems are rendered ineffective and the people living in the community operate under a reign of terror. During the first six weeks of the present school year, the Los Angeles Board of Education security personnel confiscated 24 firearms from gang members.

*The concept*

By virtue of the difficulties in prosecuting gang-type cases, (witness intimidation, street codes of silence among gang members and lack of familiarity with gangs generally), the gang murder conviction rate for filed cases was 46 percent in 1977, and 47 percent in 1978. In response, the District Attorney of Los Angeles County, John K. Van de Kamp, formulated the concept of a specialized prosecutorial section. As sociological studies revealed that a core group of 5 to 10 percent of gang members are responsible for the majority of gang violence, the section was to concentrate resources on this "hardcore" group.

In October of 1977, an application was submitted to the Law Enforcement Assistance Administration (LEAA) to fund a 2-year demonstration project pursuant to the Omnibus Crime Control and Safe Streets Act of 1968 (PL 90–351). The application was approved in September, 1978, and became operational on January 24, 1979. LEAA provided $294,310, augmented by County funding of $32,701, for a total of $327,011. This initial year funding provided for three trial lawyers, two junior trial lawyers, one legal stenographer, and one intermediate typist clerk. LEAA provided $352,248 in second year funding, augmented by a County contribution of $88,062 for a total of $440,310. The authorized personnel for the second year expanded to include one senior trial lawyer, two trial lawyers, three junior trial lawyers, one legal secretary, and one intermediate typist clerk. The District Attorney augmented the staff by providing two additional junior trial lawyers and two investigators out of the general office funding.

Toward the end of Hardcore's second year, the County Board of Supervisors convened a series of public hearings to investigate the alarming growth of gang violence. The Hardcore Gang Section was represented by Chief Deputy District Attorney, Curt Livesay and Acting Head Deputy, James Bascue. At the conclusion of these hearings the Board of Supervisors unanimously voted to appropriate $2.9 million for a two-year, multi-agency war on gang violence. Included was an appropriation to provide for the complete funding of the Hardcore Gang Section upon the January, 1981, expiration of the two-year LEAA demonstration grant, augmented by the addition of eight trial lawyers, two investigators, and three additional secretarial positions, literally doubling the size of the section.

### *Goal*

The obvious program goal has been to reduce gang violence by improving the conviction rate concerning gang-related crimes of violence, particularly murder cases. The interim goals have been to assist law enforcement agencies in identifying profile offenders, to participate in case preparation as early as possible, to utilize search warrants and complex theories of prosecution where applicable, to anticipate and deal with recurrent problems such as witness intimidation and to develop an expertise in the prosecution of gang violence: The complete and conscientious preparation of cases for trial.

### *Operation*

The gang cases targeted for handling by the Hardcore Section cover two types of offenders. The first is a defendant with a prior adult conviction or juvenile petition sustained for murder, robbery, rape or aggravated assault. The second is a defendant with a prior adult conviction or juvenile petition sustained for a gang-related crime in which a firearm was used.

Vertical prosecution was implemented whereby the same attorney handled each case from beginning to end. This has resulted in superior investigations and a faster, more efficient and more successful processing of each case.

Upon identifying a profile case, the law enforcement agency contacts the Hardcore Section. If the case requires further investigation before criminal actions can be filed, a trial lawyer is assigned to assist in such matters as witness protection, witness interviews and search warrant preparation. Upon successful completion of the initial investigation stage, the assigned trial lawyer files the case. In the event the suspects include juveniles, the assigned trial lawyer files the appropriate petitions and motions in juvenile court and handles the case to completion.

This method is in marked contrast to the usual manner in which adult and juvenile cases are handled separately, and any one case is handled by any number of different deputies. It is not atypical for a gang murder case file to bear a dozen set of fingerprints upon its arrival in the archives. Frightened witnesses faced with a seemingly endless stream of new faces and continued court dates quickly lose any resolve to testify. In contrast, Hardcore cases are "shepherded" along through every stage of the case with an eye towards securing and maintaining the cooperation of all witnesses. This often involves such measures as providing protective surveillance, relocation, assistance in finding new jobs, etc. Harsher measures such as incarceration for contempt of court arising out of a refusal to testify are used where appropriate. This maintenance of close contact with the essential witnesses inevitably results in the discovery of new and useful information.

### *Problems in setting up*

The coordination of cases being prosecuted in both adult and juvenile court, as well as the coordination of cases throughout the County of Los Angeles proved extremely difficult. A great amount of time was spent in constructing the procedures and selecting motivated and skilled lawyers, both viewed as critical to the success of the program.

*Role of county offices*

The implementation of this program coincided with the assignment of special gang experts in law enforcement throughout the county. Close contacts are maintained with these experts as well as with the California Youth Authority and the County Probation Department. Media contacts have also been encouraged to ensure appropriate coverage of violent gang cases to serve as a deterrent to gang violence.

## RESULTS

The section has accomplished unprecedented results, surpassing the most optimistic expectations. Over 100 victims and witnesses have received assistance by relocation or other protective measures. Over a two year period, more than 175 search warrants have been prepared. During the two year period of Hardcore's operation, there have been 113 convictions and 2 acquittals. The conviction rate for murder cases has been 100 percent with an overall conviction rate of 97 percent. On January 1, 1981, the section was prosecuting 71 cases. Of these, 62 percent were murder cases.

The communities most affected by gang violence have been effectively served by this outstanding success rate. This is in sharp contrast to previous prosecutions in which murder conviction rates were below 50 percent. The impact of the successful prosecutions has also resulted in a tremendous deterrence to future gang activities. By removing the most disruptive and violent of gang offenders, existing community and social programs have enjoyed a greater effectiveness in meeting their goals. As an example, school and community programs directed at younger gang members would encounter tremendous resistance from the older hardcore gang offenders. This resistance creates pressure on the younger members from which few have been able to escape. By removing and incarcerating the hardcore gang "leaders," other social forces in the community have had an increased opportunity of implementing their goals and encouraging the participation of peripheral and younger gang members in a variety of programs.

*Secondary benefits*

The secondary benefits of the efforts of the Hardcore Section have been numerous. Public awareness of the problem has been extended from the neighborhoods in which most of the gang activity occurs to all segments of the population. Many community-based programs have been subsequently mobilized. As an example, the County has recently funded a crisis intervention network involving community people and government bodies. The City of Los Angeles is in the process of creating an anti-gang, multi-agency program.

A greater sensitivity by the criminal justice system, including prosecutors, police officers, judges, and defense attorneys, has been generated concerning the problems and fears of victims and witnesses. In addition to a more efficient and superior prosecution of cases, a greater coordination of efforts by different police agencies has developed. These agencies have additionally been encouraged and trained to make better use of search warrants and other investigative techniques. An increased participation in the system by victims and witnesses willing to come to court has been increasingly observed.

Due to the more effective processing of these cases by the District Attorney's Office, a greater respect for the criminal justice system has been engendered in the community.

*Feedback*

The feedback generated by the success of the Hardcore Section has been gratifying. Individual deputies have received numerous letters from the communities they have represented in court. Media support has been demonstrated by positive articles and editorials in major newspapers and by the presentation of special reports on television and radio in the Los Angeles area. (See attachments.) The unit, being the only one of its kind, has generated nation-wide interest and is presently being evaluated under a federal grant awarded to the Mitre Corporation from Washington, D.C.

However, perhaps the most encouraging response received by the section has been the appreciation expressed by the victims and surviving family members.

Attachments.

[From the Los Angeles Times, Oct. 17, 1979]

### THE DA'S GANG GETS TOUGH

Last year 200 people died in Los Angeles in gang-related slayings. Experts forecast that the statistic will climb to 300 this year. One way to try to curb the violence is to prosecute the 5 percent to 10 percent of the gang members known as the "hitters," the ones who do the shooting. To do that, the Los Angeles County district attorney's office instituted Operation Hardcore last January; this week it received a $352,248 grant from the Law Enforcement Assistance Administration to continue the project.

Lawyers from the district attorney's staff handle all stages of the prosecution, even when a case may shift from juvenile to adult courts. They pay special attention to protecting essential witnesses, seeing that they are escorted to courtrooms, even relocating some of them for their own safety. The program is paying off: In the two years before Operation Hardcore began, there were convictions in slightly fewer than half the gang-related murder cases; now, in the cases that the district attorney's special unit has handled, its record in the courtroom is 21 convictions and no acquittals.

Almost no geographical area in Los Angeles has been left untouched by gang violence. Operation Hardcore cannot solve the social and economic problems that send people into gangs and lead them to kill, but it does offer some hope, however slight, of curtailing gang killings by showing that the worst offenders will not go unpunished.

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CALIFORNIA GANG INVESTIGATORS ASSOCIATION,
*March 11, 1980.*

MR. JAMES BASCUE,
*Los Angeles County District Attorney's Office,*
*Los Angeles, Calif.*

DEAR JIM: On behalf of the California Gang Investigators Association, I would like to congratulate you and your unit on its first anniversary. It is fitting also to thank you at this time for your efforts in curtailing gang activity.

The past year has shown the effectiveness of your unit. The impact has been felt especially in the areas of conspiracy and aid & abetting. There are some areas of the county where the word "Hardcore" causes great consternation among the "barrio".

In addition to the obvious prosecution aspects of your unit, the legal advice and information you have brought to our meetings has greatly benefited all the members of this association and the agencies they represent.

In closing, I wish you and your unit continued success and look forward to further association between your unit and this Association.

Sincerely,

WESLEY D. MCBRIDE, *President.*

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LOS ANGELES POLICE DEPARTMENT,
*Los Angeles, Calif., March 17, 1980.*

MR. JAMES BASCUE,
*Supervising Deputy District Attorney, Hardcore Gang Section, County of Los Angeles,*
*Los Angeles, Calif.*

DEAR MR. BASCUE: During the past year, officers assigned to Operations-Central Bureau CRASH (Community Resources Against Street Hoodlums) have had the opportunity to work with your Hard Core Gang Section on priority criminal cases. Twenty defendants have been prosecuted to final disposition with only one acquittal. This record is most impressive and a vast improvement over our past experience. In addition to the vigorous and diligent prosecuting efforts of your Section, our CRASH officers have received substantial insight and training on case preparation.

We look forward to continuing the relationship between CRASH and the Hard Core Gang Section, and wish you continued success.

Very truly yours,

DARYL F. GATES,
*Chief of Police.*

GEORGE A. MORRISON,
*Commanding Officer, Operations,*
*Central Bureau CRASH Section.*

Mr. **Dymally**. Thank you very much.

I call on the minority counsel for questions.

Ms. **Wright**. Mr. Bascue, you mentioned the funding for your program is now somewhat in doubt since funding is being reduced for this kind of program everywhere.

What will happen if the funding from the State or from the Federal Government is not continued?

Mr. **Bascue**. I can tell you it was quite a shock——

Mr. **Dymally**. And the county—Federal, State, and county.

Mr. **Bascue**. It was a shock this Tuesday morning. I feel I have had probably one of the most successful programs, I think, in the district attorney's office. It is of nationwide interest. I get calls continually about the program.

It was quite a shock Tuesday morning when John Van de Kamp told me I may be eliminated as a program in 2 weeks. If that happens, if we have to step back, we are going back to square one.

These very sensitive cases—they are complex legal cases, with very fragile victim witnesses—and will be put back into the hopper, if you will. They will be treated as a grand theft auto, treated as any other case, and handled in a horizontal manner.

Instead of a lawyer assigned to vertically prosecute the case, being very sensitive to the victim-witness problems, it will be horizontally prosecuted with maybe 10 to 15 different prosecutors touching and impacting the case. I would suggest to you that the quality of the prosecution would be diminished.

Ms. **Wright**. Do you feel that any of the sensitizing impact that the program has had on the prosecutors themselves would have some kind of carryover effect?

Mr. **Bascue**. I am certain of that. As we have expanded, we have shared, we have opened up within the district attorney's office the victim witness relocations. There is certainly a sharing or rub off factor.

We have shared some of the expertise on aiding and abetting and conspiracy we have gained. So there certainly is a lot of sharing, but it is nothing like what we can do at this time. I would suggest that if we had more time, that sharing experience would probably go further.

We are a very large office. We have something like 500 prosecutors in the county of LA. It is very, very difficult to have that rub-off factor in such a large office.

Ms. **Wright**. You mentioned the fact that in addition to treating the problem at the enforcement end, that it is also necessary to treat the causes of youth violence.

Are there any programs that you feel are particularly effective that are going on at the moment in Los Angeles, or in other areas, and that should be continued, either federally funded or volunteer programs, or otherwise?

Mr. **Bascue**. Well, we had 351 people killed in our county last year as a result of gang violence. So I am not so sure that I can say that we have too many glowing programs.

There are some programs that are of great interest that we are monitoring. One of those is the program from Philadelphia, which we are trying on an experimental basis in Los Angeles County, Mr. Flores' program, the crisis intervention program.

But understand the crisis intervention program is response-oriented, they are responding to a crisis, trying to alleviate the homicide or the crime. I support that, but there are some other programs.

There is a Biola project, where the administrator is working with the schools and the parents. I feel very strongly that if we have got to not address the 18- and 17-year-olds, but we have to get to the 6-, 7-, 8-, 9-year-olds, and address parenting and schools.

The Biola project, which is a very small project, is trying to do that. So I have a lot of hope for that concept.

There is a program in south central Los Angeles by Mr. Ginnis, the "say yes" program. Mr. Ginnis I think has demonstrated a lot of success, the ability to work with various agencies.

So, those are a couple of the programs that I have observed, and that I absolutely feel very strongly that law enforcement or criminal justice response is not a total answer.

But we have got to start there. We have got to build some credibility in our system, and then at the same time build into our community something to get these young people involved, because they are absolutely uninvolved; they are unemployed, and not involved with anything. We have got to have some alternatives in the community.

Ms. Wright. I understand from the statistics you quoted there has been a tremendous increase in the last few years in gang-related violence. Do you see any slowing down of this increase through your program or other programs? Is there anything you can see that seems to be having an effect?

Mr. Bascue. Well, one of the things a criminal justice response can have is a deterrent effect. Just talk about agencies. I am starting to get the word on the street, and the word—you know, by talking to the young people on the street. They are aware now, and they are starting to become aware.

The word is in the county jail that you do not want to be prosecuted by Hardcore. The word on the street now is if you ride along in a car and do a gang-related shooting, you are going to be prosecuted as an aider and abettor.

So the word is starting to get back. This is not something that happens overnight, but I would suggest to you that I am seeing results at this time of a concentrated enforcement action.

One of the problems we are having, though, I may as well point out to you, is even as we increase our conviction rate—98 percent is darned good as a conviction rate—what happens to these people? They are put into the California Youth Authority.

I have three examples right now where young people committed murder at the age of 15, went to the California Youth Authority, were back in less than 3 years at the age of 18, went right back into the same family setting, the same gang setting, and committed an additional murder within a month or two. One young man within months committed two homicides, giving him three before he was 19 years of age.

One of our problems—and it is something we are hopefully going to try to address in the legislature this year—is longer sentences for the crime of murder. Three years for the crime of murder is just tragically inadequate. So that is one of the problems we are having, trying to get credibility; trying to increase—at least for the crime of murder—for the violent offenders a longer incarceration period.

Mr. Dymally. Is that 3 years applied to young offenders or across the board?

Mr. Bascue. In the California Youth Authority, Congressman, it is an indeterminate period of time. These were 15-year-olds, coming out of juvenile court. They spent 3 years. Supposedly the panacea for violent youthful offenders has been the transfer, or fitness hearing, we will transfer them into adult court.

But what is happening now? We are getting them convicted in the adult court, the judges still send the 17-, 18-, 19-year-old to the California Youth Authority and they still spend 3 years.

We recently had a case where a custodian on one of our local campuses was killed during a robbery-murder. The shooter was 15 years of age. He went to the California Youth Authority. He will do 3 years. The young man who aided and abetted him, I believe, was 18 or 19. We convicted him of murder in the adult court and the judge sentenced him to the California Youth Authority, and he will spend less than 3 years for murder.

Mr. Dymally. So we did not do it with the young offenders, when we eliminated the indeterminate sentence?

Mr. Bascue. We eliminated indeterminate sentences for those sentenced as adults into State prison or county jail. But there is still in California the option between 18 and 21, the courts can still sentence those people to the youth authority. Once they do so, it is still indeterminate.

It is a serious problem we are trying to deal with in California right now. But this is just a further example of the problem that I asked the committee to explore; that is, juvenile justice or youth justice throughout the Nation.

Ms. Wright. I just have one last somewhat related question.

Have you seen any decrease in the recidivism rate as a result of your prosecution, or have you had enough time to be able to evaluate whether you are still having the same problem?

Mr. Bascue. I think it is just a bit too early. When the project was initially started as a demonstration project with LEAA funds, we were five prosecutors in this large county. It was like a drop in the budget.

What we did, we did very effectively, but we did not have much of a countywide effect. Right now, within the last 2 months, we have 20 prosecutors. It is just too early to see the real results. When I see the homicide rate dropping in this county, I will say that we are having some success.

But again, as I indicated to you, the feedback on the street from law enforcement—I go to the streets, I talk to the young people, I am starting to pick up a realization that something serious is going to happen to them. So not only with our higher conviction rate—we need something more significantly happening to them after we convict them.

Ms. Wright. Are you seeing the same offenders coming through your office more than once?

Mr. **Bascue**. Absolutely. You take the gangs. We estimate that only 10 to 15 percent of the gang members are really the violent offenders. I will give you an example.

We had a west side gang out here with a bunch of 15- and 16-year-olds. One young man, 18 years of age, got out of the county jail. First thing he did was to assault, I mean physically beat up three younger gang members because they hadn't made a shooting or drive by on the opposing gang.

He mobilized these four or five people. They had a meeting. He had one young man steal a car. He had one young man steal a gun. Then he and the other one went into the neighborhood and a 16-year-old boy was killed that night riding his bicycle.

So it is clear to me it is just a small fraction of the people in a gang, what we call the recidivist, the hardcore offenders, who are committing the crimes and who are leading the others into violent crime.

If we can remove them from the streets, I really believe—especially if we can get some funding, some viable social programs into the community—we can make a serious reduction in this youth crime problem.

Ms. **Wright**. Thank you.

Mr. **Dymally**. Mr. Frazer?

Mr. **Frazer**. I would like to ask you, is the Federal Youth Corrections Act applicable in the State?

Mr. **Bascue**. Not to my knowledge.

Mr. **Frazer**. Do you have a like statute?

Mr. **Bascue**. To be honest with you, Mr. Frazer, I am not familiar with that. We have so many rules and regulations statewide, I am not familiar with that Federal statute.

Mr. **Frazer**. It is rare a youth charged with a crime has an option of being prosecuted as a minor or an adult, up to the age of 21. You were speaking of some act like that. Can you tell us what it was?

Mr. **Bascue**. Yes. We have in California, in various parts, it is either called waiver, transfer, or fitness. In California it is called primarily a fitness hearing. It is section 707 of the Welfare and Institutions Code, which I might add in the last 2 to 3 years the State of California has tried to address, has tried to give more protection to the public. It has tried to increase and make this a tougher statute, so that we have more minors waived and treated as adults.

In other words, it is not consentual. In California there is no consent at all. The courts must make a finding, it is noticed by the district attorney, there is a hearing, and the court makes the ruling. But again, the frustration we see is even those we transfer and waive in adult court receive the same treatment they would if they were in juvenile court.

Mr. **Frazer**. Has it been your observation that these youth offenders are aware of this option to waive?

Mr. **Bascue**. There is just no doubt about it. To use the expression of a law enforcement friend of mine, they are playing us like a banjo. They are absolutely aware of the age limits.

When this 18-year-old was having different people commit the crimes, they know the system. I have recently talked to a gang member—and this, by the way, is on tape—where they train the younger gang members to go to court, they train them to quote, shine on their probation officer, to shine on the judge.

They know this system. They may not be educated highly in school, but believe me, they are very sophisticatedly street educated. They know the age limits—13, they know 16, they know 18, they know all the age limits, and they know what they can do with the system and they utilize it.

Mr. FRAZER. Do you believe that the courts are an ally in your fight against gang crime?

Mr. BASCUE. Of course I think any time that you get judges being appointed in a political milieu, you are going to have differences. I believe that the courts are not the problem here in my county, and that is from whence I speak.

Our judges are trying to balance the best interests of the minors against the protection of the public. But I find them frustrated by statutory regulation and frustrated by the lack of resources and alternatives to place some of these youthful offenders.

Mr. FRAZER. Has the court demonstrated, in your opinion, that they are an ally in the way they sentence these offenders, or have you found a great disparity in sentencing?

Mr. BASCUE. Well, Mr. Frazer, I could certainly sit here and pick a quarrel with some individual judges. You cannot make everyone happy all the time. I have some problems with certain judges, but as a general rule in this county, and especially in the area of youth crime, I am satisfied the judges are doing a good job and are just hamstrung, if you will, by the problems that I mentioned.

Mr. FRAZER. Have you seen any connection between the use and trafficking of drugs and youth gang crime?

Mr. BASCUE. Certainly drugs are a problem in our community, as in every community. One of them that is just absolutely devastating is PCP. It is the most dangerous contraband substance in our community.

Mr. DYMALLY. Is this because it is cheap to obtain?

Mr. BASCUE. It is very cheap. It can be made at home. But it is the effects, what it does. It has residual effects in the body. It leads to bizarre behavior and violent behavior. It is a tremendous problem in our community.

It is difficult for me, Mr. Frazer, to draw direct correlations between youth violence and drugs. I don't see that. I think there are other exhaustive factors that are more important.

Mr. FRAZER. You speak of this problem of youth gangs. Is it primarily one of males or is there an appreciable amount of females involved?

Mr. BASCUE. Primarily a male problem. We do have—it is like a grouping of young people, and there are females involved. One of the things that we are seeing recently is an escalation in the female roles in the gangs, and forming their own gangs.

I have had a number of reports, especially on campuses. The street gang violence is a misnomer. They ought to call it school violence, too. We are prosecuting two cases of homicides right now occurring on our school campuses.

The first 3 weeks in 1981 in the city of Los Angeles, 26 firearms were taken. One of the things I see, though, is on our school campuses the male gangs will have an associated female grouping, and they will be doing violent acts much like the males, but not to the same degree.

Mr. **Frazer**. Thank you, Mr. Chairman.

Mr. **Dymally**. Thank you very much.

You cited a statistic here that is frightening. You said there were 351 homicides per year? Almost one a day.

Mr. **Bascue**. It is absolutely staggering, Congressman. I really don't think people understand the toll that is put upon our community. That is 351 persons killed, not by automobiles, not by random, but by gang violence alone. That is just a staggering toll in our community.

Mr. **Dymally**. Mr. Bascue, we thank you very much for coming. Please convey our best wishes to the district attorney.

Our next witness is Mr. John Mack. Would the witness please identify himself.

We will enter your statement, Mr. Mack, in the record. You may testify about your statement rather than read it, if you so wish.

## STATEMENT OF JOHN W. MACK, PRESIDENT, LOS ANGELES URBAN LEAGUE

Mr. **Mack**. Thank you very much, Congressman Dymally, members of the committee.

I am John W. Mack, president of the Los Angeles Urban League.

I wish to express my appreciation to you for inviting me to testify before your committee on behalf of the urban league concerning the problems of our city, and more particularly of the constituency that we represent organizationally.

I must say that I appear before you at a time when we have little to rejoice about because the people whom the urban league seeks to serve in Los Angeles appear to be getting the short end of the stick at just about every turn.

Los Angeles in many ways, especially south-central Los Angeles, and more particularly the unemployed, the underemployed, the poorly educated, victims of crime as well as law enforcement; those who are without adequate housing, are finding themselves facing a situation of drying up resources and, in many respects, government retrenchment at a time when services, vital services, that are so desperately needed by them should be increasing.

As I am sure you are painfully aware, based upon the recent action of President Reagan, along with a majority of Congress, in the name of budget balancing, so many social service and human service programs upon which our constituency depend have been drastically reduced.

Unemployment in south-central Los Angeles among adult black heads of households is at least 33 percent and rising. I am sure that that figure will be much, much higher as a result of layoffs that will be occurring within the city and county of Los Angeles. Already, as the county board of supervisors attempt to balance a budget and impose drastic reductions, as the city council and the mayor attempt to address a deficit, they are finding themselves faced with a situation of having to reduce rather than expand.

There have been 7,000 workers already laid off from the CETA title VI public service program that is now down the drain. It is anticipated that well over 5,000, 5,400 or more county workers who have been permanent employees will no doubt be laid off, in the county's attempt to balance the budget. The city will perhaps lay off over 2,500 to 2,600 permanent employees in their attempt to balance the budget.

That is just the tip of the iceberg, because in addition to those immediate layoffs—and we are talking about people who have been civil servants for quite a period of time, and I don't need to tell you that the majority of these individuals will be blacks, will be Hispanics, women, the people last in the door are always the first out of the door. This wreaks havoc upon affirmative action attempts by the Government.

Services will be drastically reduced. Health services, for example—it is anticipated that within the county the health services that are offered through the Martin Luther King Hospital, in the middle of south-central Los Angeles, will be curtailed in many significant areas. Clinics may be closed.

The saga goes on and on.

I would hope that your committee, in the face of this tragedy that we find ourselves facing, that your committee will still fight. I know, Congressman Dymally, you have always been a strong advocate for the kinds of programs and services that I have just addressed. It is very important that there remain some voices who will still advocate positively programs in the employment arena, in the education arena, and elsewhere.

The urban league has primarily concentrated its attention and efforts in the employment arena, historically. We have also been active in the educational arena.

In that regard, it seems that one of the important things that Government needs to do now, as your committee and the Congress takes a look at the cities and what is happening, is to make sure that an effective national manpower policy, a coherent policy, is formulated, one that is going to insure that resources, adequate resources are provided and that there be an effective training delivery system, as well as a job delivery system in place.

It is one thing to eliminate CETA. It is one thing for the President and for a majority of Congress to say that CETA did not do the job. But that is not going to eliminate the problem. It may solve one problem but frankly will create another.

Over the short haul what we are finding is an exacerbation of the problem. People now on payrolls are being taken off payrolls and put on welfare, unemployment situations. So I would hope that you would come forward with a new manpower policy, national manpower policy, that would insure that training be provided for the unskilled and unemployed worker.

I would emphasize the unskilled worker. One of the popular myths that we frequently find being bandied about is that people thumb through newspaper want ad sections and talk about the hundreds upon hundreds of jobs that go wanting with the suggestion that there are people just sitting around not interested in working, maybe because they are shiftless and lazy, and you know all of the myths that some people have in this regard.

I would submit that one of the very real problems is that a really creative national training program is not in place that is going to make sure that skilled preparation, adequate skilled preparation, is provided for the unskilled worker, so that that worker can be matched up with the jobs.

All too often the people are being trained for yesterday's jobs. It is important that such a training program keep pace with the future job projection—10 years down the road, 20 years down the road, and what have you.

It is important that the partnership between business and the Government be strengthened. The urban league certainly agrees that the private sector has an important role to play in job creation, in job opportunity, and indeed in job training.

In this regard, it seems that Government can play an important role, and your committee can play a particular role in helping to shape and formulate policies and legislation that will provide encouragement to the private sector—tax incentives, and other means that have frequently been talked about, but not really effectively implemented, so as to encourage the private sector to want to remain in the inner city and return to south-central Los Angeles, in the cases of many who have run to suburbia.

But I would submit there have to be some strings. Frequently when we have the political exchange that takes place, sometimes in partisan terms and sometimes in ideological terms, one of the very real points that gets missed is that we need to have strings attached to any kind of support that is going to be granted, if the unemployed, if that person at the bottom of the barrel is going to have a fair chance.

Historically, the poor person, the black person, the minority person, without Federal intervention has found himself or herself in a very, very sad shape. I would worry if there were just an open policy that would provide incentives to the private sector without tying in and gearing in some specific requirement that they establish their plants and provide their job opportunities in the middle of the city where the majority of the people are.

Closely related to the private sector and this kind of policy concept, I think it is very important that education be addressed. It seems that on the national level the Government has a responsibility to make sure that local educational institutions do their job.

There are over 550,000 young people attending the schools of Los Angeles. At this particular point in time, blacks, Hispanics, and Asians represent a combined majority enrollment of those attending these schools.

They also represent to a large extent young people who come from families that are poverty stricken, families that cannot afford a private school education, young people who have no choice but to go through that public school system.

The regrettable facts are that we have typically took many young people leaving Los Angeles schools with diplomas but without marketable skills. The urban league literally has thousands of such young people coming into our offices each year here in Los Angeles who are products of this school system.

It would appear that there needs to be an increased and better coordination between the educational community and the private sector, to make sure that marketable skills are developed, so that those young people who will not be going on to college will have an opportunity to shop themselves around, to sell their skills to local employers.

We certainly in no way want to discourage academic preparation. I don't want anyone to misunderstand. We want to encourage as many young people to try to go on to college as possible, but the reality is not every young person is going to go to college.

You know that. I know that. Therefore, it seems to me more and more we need to take a critical look at what is happening in these isolated schools in Los Angeles, and throughout urban America, and not allow local school districts and school boards and administrations to abandon them and subject them to Siberia, or to a life of poor education, and callousness that they all too often face.

It would appear therefore on the Federal level your committee and the Congress would want to take a look at ways and means of interrelating training within the classroom, training within the manpower arena, for the out of school youth as well, and certainly encouraging and stipulating involvement of the business community.

One example of a pilot project that is scheduled to begin in September, that at least sounds good and appears to be in the right direction is the 95 Elementary School, Bret Harte Junior High School, Washington Senior High School. Congressman Dymally knows where they are. They are all located in south-central Los Angeles.

They are going to try something that at least will be different and innovative. What I describe to you may not sound terribly original or new at least in terms of what has been advocated so long.

The idea is, first of all, they are going to limit the number of young people who attend these schools. At the elementary level they are going to put a cap of 600 youngsters on, so that no more than that number can attend.

At Bret Harte Junior High School, they are going to put a maximum of 800 youngsters. They have not determined what happens in Washington High. Washington is going to be developed into a magnet. Bret Harte will be an intermediate school.

They are going to require that every youngster for that school apply for admission, along with their parents. Parents have to sign off along with the youngsters. The basic commitment they have to make is that they are motivated and interested in attending that school and learning.

They are not all going to be A students. There is no academic grade or requirement involved.

The principal is going to have increased flexibility in the selection of the staff, which is something a little bit new and different. As you well know, frequently due to various kinds of relationships involving those sometimes between the union as well as the administration and the board, principals don't always have this kind of control.

The principals have been handpicked. They are caring, sensitive, well-prepared educators. They are going to have teachers who know what they are doing and who are committed.

At least the theory is, the thought is, that this should produce a better quality academic experience for these youngsters because you are going to have the right ingredients.

You will have students who want to learn. You are going to have teachers who want to teach and are capable of teaching. They are going to be able to operate in an environment that will be conducive.

It would appear if such an approach does work, that you may want to take a look at offering some Federal support and encouragement to stimulating this kind of approach on a broader basis.

One of the problems I would submit that we frequently find ourselves facing, whether it is in education or in jobs, or in other arenas, is that we cite the exception, we cite the pilot experience. What we need to do is reach the point that it becomes an everyday experience, whether it is in the classroom or elsewhere, that people are going to be able to have an opportunity to develop their potential and therefore broaden opportunities for more people.

In conclusion, the basic plea that I would make to this committee is, No. 1, that you take a very good, hard look at the establishment of a national system for manpower; a policy from the Federal level, and building in a delivery system.

Since CETA is going out the window, it is important that it be replaced with something that is going to be viable; something that is going to provide people with effective marketable skills, and with jobs at the end of the line.

That is absolutely essential. I think it will impact to some extent the general problems of youth and the gang activity which the previous witness alluded to. It is not going to be the sole answer to that problem, I would agree, because there are some offenders who have to be addressed in the manner the district attorney spoke about.

But I would also submit that some people may be driven to a life of crime, not necessarily violent crime, because they have been denied opportunity. I would cite just one example to make that point.

The urban league had a young person come to its youth employment training program, which is a CETA-funded program for youth that has been highly successful during the past several years. We are a subcontractor of the city of Los Angeles, and of course the funds, as you know, have come from the U.S. Department of Labor.

This young man was from Chicago. He had been put in jail for robbery. He was on the run from the Chicago police and came to LA; he came under the attention of local probation officials.

The probation officials established contact with one of our staff people running this program. They brought him in and enrolled him as a participant. He went through a 7-week period of preemployment training and preparation, where he was able to work on some of his social skills, get into the habit of understanding what it is like to accept this kind of responsibility. Then he went into a work experience situation for 4 months. From there he went on to full-time unsubsidized employment.

He is now working very successfully. He is not on the streets stealing from anybody, he is making a livelihood for himself, and he and his family can enjoy not only the fruits of their economic labor, but also human dignity and opportunity.

I believe that as long as there is a Federal involvement—and there must be an increased Federal involvement—then we may have an opportunity to make sure that everyone within the city of Los Angeles and the cities throughout America will be able to participate fully and freely to the extent of their individual potential and ability.

[The prepared statement of Mr. Mack follows:]

### PREPARED STATEMENT OF JOHN W. MACK

Chairman Dellums, Congressman Dymally and other committee members. I am John W. Mack, President, Los Angeles Urban League; and am honored to have been invited to testify before your committee concerning the urban problems confronting Los Angeles. I will focus my presentation primarily upon the Black citizens, since they constitute the Los Angeles Urban League's major constituency.

Some of them are no doubt acquainted with the general goals and programs of the Urban League, either nationally or in other parts of the Nation. However, I would like to briefly acquaint you with the Los Angeles Urban League—which is one of 117 affiliates of the National Urban League. The Los Angeles Urban League has been serving this community for 60 years. The League is private, non-profit, nonpartisan and its policies are set by a 44 member Board of Directors—comprised of unpaid volunteers representing various racial, religious and sexual backgrounds. They come from business, industry, labor, professional, community and other areas of endeavor. A staff of very dedicated and extremely competent individuals implement the organizations' policies and programs on a daily basis.

In 1980, the Los Angeles Urban League served over 90,000 Blacks and other needy citizens through 19 different programs and various community activities. We operated a Headstart project which served over 600 pre-school children.

The League has 9 offices, strategically located throughout South Central Los Angeles, Pasadena, Monrovia and Pomona. Through our various public and privately funded manpower programs, 1,643 previously unemployed and underemployed individuals were placed in jobs. These 1,634 persons earned combined annual salaries which totalled over Sixteen Million, Nine Hundred Seventy Two Thousand Dollars ($16,972,014.00). They paid a combined total of over Three Million, Three Hundred Ninety Four Thousand Dollars ($3,394,402.80) in taxes—based upon a calculation in the 20 percent tax bracket. Their jobs ranged from the entry level to skilled, technical, professional and middle managerial levels.

In 1980, the Los Angeles Urban League's income from Government contracts totalled Four Million, Three Hundred Thousand, Eight Hundred Forty Four Dollars ($4,300,844,00). Our total income from all sources amounted to Four Million, Nine Hundred Fifty Eight Thousand Five Hundred Forty One Dollars ($4,958,541.00). Therefore, as you can see, the people whom the Los Angeles Urban League placed in jobs paid back in taxes close to 79 percent of the governmental dollars we received; and 68 percent of our total budget from all sources. That should explode the myth, which some perpetuate that governmentally funded CETA and other similar programs are giveaways that do not benefit the untrained and the unemployed.

Despite those accomplishments, of which we are very proud, thousands of local citizens remain out of work, poorly educated—and are without help or hope. For every individual we help, there are thousands more in need of similar assistance. Unemployment among South Central Los Angeles Black adult heads of households is 33 percent; and growing with additional layoffs resulting from the budget cutting that is taking place in Washington and Los Angeles.

Your Committee Hearings are being held at a time when ill winds are blowing out of Washington—especially for minorities and the poor. Greatly needed government funding for essential services is being wiped out at the expense of the poor. Despite claims by President Reagan and many members of Congress to the contrary; the cuts are not even-handed, and they are grossly unfair to the people in greatest need.

You are conducting these hearings at a time when budget cutting is in style. The only increases in vogue are those—beefing up defense and the military on the federal level—and the police and sheriff departments on the local level. The Urban League and I support strong military and efficient local law enforcement agencies able to cope with our serious crime problems.

However, we are adamantly opposed to the emascalation of employment and training, health, food stamps, education and other essential human service programs.

The City and County of Los Angeles elected officials are struggling to balance budgets—in the wake of drastically reduced federal dollars and the reality of Proposition 13—now that the state's surplus has dried up. The County Board of Supervisors is planning to reduce the County's budget to $4.59 billion—which means $265 million in cuts. The City of Los Angeles has to reduce over 33 million dollars from its budget; 7,000 City and County CETA Title VI workers have already been laid off. It is anticipated that an additional 5,400 regular County employees will be laid off. The City of Los Angeles expects to layoff approximately 2,600 employees. You need no great imagination to also realize that the majority of them are and will be Blacks, Hispanics and women. This sets affirmative action back another step into the dark ages.

Most of the County's reductions are expected to be in health services to the poor. Projections are that Martin Luther King Hospital will have to sharply curtail dental and pediatric services. Some health clinics serving South Central and East Los Angeles will be closed.

In an attempt to balance its budget, the City of Los Angeles is expected to among other cuts, reduce the city attorney's office—specifically, its ability to enforce the city's racial, sexual and religious discrimination laws.

The Federal Government must continue playing a key role in the training and employment field despite the dismantling of CETA. The wiping out of CETA will not end unemployment or the unskilled.

The Urban League strongly recommends that a national training and employment system be established; that will provide the broad policies and major financial resources to eliminate the devasting unemployment confronting Los Angeles and other cities. Most of the same basic principles that were embodied in CETA remain valid. Such a delivery system should emphasize a partnership between the public and private sector; and stress more job creation and participation in the training by business and industry.

The Urban League strongly recommends targeted governmental tax incentives that will encourage businesses to either remain or in many instances, return to South Central Los Angeles and other urban inner cities—rather runaway to the suburbs. Special tax benefits and funding should be provided to those business, who are willing to set up shop in the highest pockets of unemployment.

A national policy is needed for the utilization of manpower resources. There needs to be a federal government sponsored determination of the jobs and skills needed for the future i.e., the next 10 to 20 years. In that connection, training programs and curricula need to be developed, in order that the jobs and the people who need them are properly matched. Too often, the jobs that are advertised in local newspapers and through other sources require skills that are non-existent. And on the other hand, there are people who want to work, but are not trained for the vacant jobs.

The poor and minority urban student is dependent upon public education for his or her academic preparation. Blacks, Hispanics and Asians now constitute the majority of the over 550,000 students attending Los Angeles schools. And, most of them are being poorly educated. These students are attending school on a segregated basis.

The Urban League and I recommend federal policies that will stimulate Los Angeles and other local school districts to better educate these students, who are seeking to prepare themselves. There needs to be federal stimulation of a more effective educational approach to equipping these students with marketable skills, upon their entrance into the job market. There needs to be federal encouragement of better coordination between the schools and private industry to accomplish this objective.

It is essential that you oppose attempts to legislate vouchers that will benefit only the middle class student and destroy the public school system.

The present conservative trend has exacerbated racist and selfish behavior on the part of too many people in and out of government. This has resulted in a blatant disregard for the civil rights and human dignity of Blacks and other minorities. Various affirmative action policies are in serious danger of anemic enforcement or their abandonment. I urge you to reaffirm the equal employment legislation and press the Reagan Administration to vigorously enforce them.

I recommend consideration of a national manpower policy that will emphasize retraining of the urban worker and resident for the new industrial revolution that involves advanced technology. This technology is rapidly creating a work force with obsolete skills. Special emphasis should again be placed upon urban centers and the high employment areas.

Mr. Chairman and members of the Committee, the poor and the unemployed of Los Angeles are facing some very hard times. And they need someone to care—such as the young man who was helped by the Los Angeles Urban League's CETA funded Youth Employment Training Program. He moved to Los Angeles from Chicago on the run from the police. He was untrained, out of work and under the supervision of the Los Angeles Probation Department. His probation officer and our staff collaborated; and he was given 6 months to get his act together or be returned to Chicago and back to jail—to serve time for the robbery that he had committed. He spent 7 weeks at the Urban League Youth Training Office, involved in pre-employment training. He was then placed in a 4 month work experience placement setting. He was then hired by a local business firm, as a shipping and receiving clerk. After approximately 3 months, he was promoted to a buyer position—and was even able to secure bonding. He has been there for one and one-half years; and is earning $1,500 per month. His life has been turned around from one of crime. He is a taxpayer, rather than a tax eater. He is self-sufficient. He has his self-respect and pride.

That program was possible because you and enough others of your colleagues cared. I urge you to continue to challenge the insensitivity that is sweeping Washington these days—the kind of callousness that George Bernard Shaw had in mind when he wrote: "the worst sin towards our fellow creatures is not to hate them, but to be indifferent to them. That's the essence of inhumanity".

In the absence of national policies demonstrating concern for the cities and all of the people—I fear for the future of this City, this nation and this democracy.

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## A CHALLENGE FOR OUR COMMUNITY: A REPORT BY THE JOINT TASK FORCE ON SOUTH CENTRAL LOS ANGELES

### BRIEF HISTORY OF THE DEVELOPMENT OF THE JOINT TASK FORCE

In late July of 1980 the staff executives of the American Jewish Committee, the National Conference of Christians and Jews and the Los Angeles Urban League met to consider the fifteenth anniversary of the Watts Riots. What would it mean for the city and for their organizations? There was solid agreement that few significant positive achievements had been accomplished to improve South Central Los Angeles since 1965.

There was a strong feeling that emerged that the three groups should undertake a joint effort to make a dent in the "unfinished business" begun by the McCone Commission. More could be done through collaboration than moving out separately.

Thought was given to the appointment of a "blue ribbon" committee to guide the project. It was recognized that no more influential and concerned people could be recruited than those currently in the membership of the boards of directors of the three bodies.

The program was proposed to the governing bodies of the organizations at their Fall meetings and approved. The plan was to form a Joint Task Force comprised of six directors from each of the agencies. The substantive areas of education, employment, housing and police-community relations would be examined. One or more priorities for action by the groups would be recommended by the Joint Task Force to the three governing bodies. Unanimous action would be required to approve the report of the study group before a public announcement could be made.

A press conference was held on January 7, 1981 to announce the formation of the "Joint Task Force on South Central Los Angeles—15 Years Later." It was hoped that a new collaborative style would be developed among groups seeking to advance the cause of human rights. The decade of the 1970's was one marked by separation and "doing one's own thing" rather than joint effort. It was hoped that the study phase of the project would be completed in 120 days and the recommendations issued soon thereunder.

The American Jewish Committee celebrates its 75th year as a human relations organization committed to strengthening the civil and religious rights of Jews and to combatting bigotry and injustice in the United States and worldwide. In recognizing the significance of quality education to the success of a democratic society, the AJC has worked to strengthen our public schools by assisting our local school districts in the areas of multi-cultural education, intergroup relations and integration.

The National Conference of Christians and Jews, since its beginning in 1928, has been committed to a continued program of promoting brotherhood and justice, of meeting the complex challenges of our turbulent society, be they religious bigotry, unequal employment opportunities, discrimination in housing, racial hatred, or school segregation. The NCCJ is a pioneer and continues its interest in the field of police-community relations programs to develop mutual trust and cooperation between law enforcement and the community.

The Urban League has operated employment and training programs in Los Angeles since 1921 and currently operates twelve types of employment-related programs and thirteen Head Start centers. In 1980 LAUL provided employment services to more than 53,000 persons with almost 3,500 becoming employed full time to generate some $32,000,000 in income. In addition to providing a variety of programs, the Urban League serves as an advocate for equality on behalf of Blacks and other minorities.

## PREAMBLE

The recommendations contained within this report are the result of intensive investigative interviews regarding the current situation in South Central Los Angeles. While extant documents, including government publications and pertinent newspaper and journal articles were utilized to build a framework for understanding the problems of Watts and its surrounding environs, the Task Force placed greatest emphasis upon personal accounts by knowledgeable individuals whose insights and experience shed some new light on a longstanding challenge.

Over the past four months, the Task Force interviewed dozens of individuals from both the private and public sector. Included in this process were members of the Los Angeles business community, top law enforcement officials from the Police Department, Sheriff's Department, and District Attorney's office; elected officials, community leaders and workers in South Central Los Angeles, prominent educators, Police Commissioners, police officers, developers, journalists, attorneys and academicians; persons who have lived in, worked in and/or worked with the greater Watts Community appeared before the Task Force to present their knowledge, perceptions and recommendations. In order to ensure maximum candor and freedom of expression, interviews took place on a confidential basis.

The McCone Commission appointed by Governor Edmund G. Brown, Sr. in the wake of the 1965 Watts Riots issued a report which contained a series of specific recommendations designed to ameliorate those conditions which the Commission identified as contributing to the oppressive nature of life in South Central Los Angeles. Some of those recommendations such as the strengthening of the Board of Police Commissioners and the accelerated development of employment training have been implemented over the past 15½ years, some only half-heartedly, and others on a minimal scale. Unfortunately, most of the McCone recommendations have either been ignored or given only cursory attention. The consensus of our interviewees can be summed up by the adage "the more things change, the more they remain the same." While some changes and fluctuations in the quality of life have occurred in some specific areas of concern, the general picture remains basically unchanged and in some respects, more serious. The uncertain economic and political situation over the past few years has inhibited efforts by government and private agencies to develop productive programs in the Watts/South Central area. The business community, recently faced with the woes of inflation and recession, has for the most part ignored the potential of South Central Los Angeles for economic development. However, it is now more clear than ever to many citizens that the fate of the inner city is a direct and portentous, if magnified, reflection of the economic and social woes that have begun to plague even the affluent communities of greater Los Angeles.

The Task Force has attempted to take a fresh and "optimistically realistic" approach to some enduring problems. Our recommendations are made during a time of limited economic expansion. There has been a deemphasis in government as the mediator and primary funding source for human services programs and where the role of the private and volunteer sector in filling this gap has not yet been well defined.

Our recommendations also have been geared primarily toward the Black community in South Central Los Angeles, at a time when rapidly changing demography demands that we begin to address the separate, though often intertwined issues which are of particular concern to the growing Latino community of Los Angeles. Given the limitations of time, resources and the nature of the organizations primarily involved in this effort, as well as the historical approach of this study (i.e.: The Watts Riots and the long term occupation of Watts by a predominantly Black population), the consensus was that our first step had to be to focus only on those specific issues that most directly affect the Black residents of South Central Los Angeles. Naturally, many of our recommendations may be applicable to issues of concern to the Latino community in Watts, East Los Angeles, or Pacoima. Ultimately, we recognize these issues are of concern to the general community of Los Angeles because all citizens have been affected by present conditions in the inner city. Each of us, regardless of race or socio-economic class has a strong economic and social stake in improving the quality of life in South Central Los Angeles.

While our study has not specifically focused on the role of the media, many of our interviewees spoke to the issue of media coverage of those issues with which we did concern ourselves. Police-community relations and public education were commonly cited as issues upon which the media has had tremendous impact. We recognize the valuable role which local journalistic outlets play in communicating important information and ideas. We urge that both the electronic and print media play an increasingly constructive role in educating the community to better understand not only the challenges and conflicts that confront South Central Los Angeles, but positive programs and the potential for recovery and stability in that area. Our study uncovered many positive programs and relationships in South Central Los Angeles between community members, between community organizations and government, and between community organizations and the private sector. Journalists can play a vital role by recognizing, publicizing and critiquing these activities so that the public may understand and participate in both short and long range efforts to rebuild our city from within.

One final point should be made. Our recommendations are numerous; some simple and inexpensive, others complex and rather costly. In the ensuing weeks, our three organizations will develop priorities, based upon feasibility and urgency, for implementing these recommendations. We do not expect that all of these recommendations can be implemented immediately. Nor do we expect to work alone. The AJC, NCCJ, and LAUL urge all concerned citizens, individuals, public, and particularly private organizations, to join together to face the task which now challenges our community. A cooperative approach involving diverse viewpoints and multiple resources is imperative to turn South Central Los Angeles into a viable community, a safe and stable area with a healthy economic and social climate.

### POLICE-COMMUNITY RELATIONS

In recent years, community relations programs have been drastically reduced in the Los Angeles Police Department. There are no longer full-time Community Relations Officers assigned to each division. Uniformed officers no longer teach in the high schools. Foot patrols have been eliminated. Only eight or ten officers work in the area of community relations compared with sixty or more in the late 1960's. The "Basic Car Plan" of regular neighborhood meetings with officers who patrol their community is not in full operation. Officers no longer spend a day with a family to get to know better the community they will serve.

At the same time, according to a Police Protective League survey, relations with minority communities are at an all time low. Less than 50 percent of Blacks approve of the job the Department is doing.

The Task Force Recommends:

A. That to increase positive police-citizen communication, programs and procedures be utilized which will increase knowledge and understanding between police and the community, strengthen their relationships and establish mutual respect. For example: Neighborhood advisory council meetings and programs such as the "Basic Car Plan" should be strengthened by the infusion of new citizens and an improved format. More neighborhood watch groups and block organizations should be developed and encouraged by the Police Department to help support police functions (e.g., more "eyes and ears") and benefit the community. We offer the services of our three organizations to assist in developing and improving these new and ongoing programs; foot patrols should be reinstated (which, we understand, will require additional officers, elsewhere proposed in this report); "family visit" programs for officers new to a community should be implemented once more; the practice of using qualified police officers to teach about law enforcement in public high schools should be reinstated; the Department should also strengthen its positive programs for working with youths, such as the "Deputy Auxiliary Police" program of the past; and the position of full-time Community Relations Officer should be reinstated, at the Lieutenant rank within all divisions of the L.A.P.D., with priority given to those areas with predominantly minority populations. These positions should be restructured to avoid the "political" tag associated with these roles in the past. If community relations are to be improved, the Department must have the staff to implement and shape needed programs.

Academy training for L.A.P.D. recruits has in the past included only six hours of human relations training and exposure to various cultural groups. It also included some Spanish language training. When the training period was reduced from six to four months, the Spanish training was cut. There is the perception that six hours is insufficient to understand the various groups and communities which make up the larger community of Los Angeles. There is also the perception that more civilian experts should be part of the training, rather than having courses taught solely by members of the L.A.P.D. Training might be more comprehensive and well-rounded.

The task force recommends:

B. That to improve the training and preparation of officers to work more effectively with the citizens they protect and serve: The L.A.P.D. utilize qualified instructors from outside as well as within the Department to conduct training sessions on community relations; The Police Commission reexamine and strengthen procedures for screening out of the Academy those applicants whose personal prejudices or psychological problems may cause harm in the community. Further, the Commission establish procedures whereby those few sworn officers who may be creating significant problems in community relations be removed from positions where their prejudices or insensitivities cause harm. Additionally, greater attention and resources be devoted toward assisting officers to cope with stress and "burn-out", which can effect even the most able and concerned officer; a professional advisory group be established, composed of educators representative of the large minority and religious groups in Los Angeles, to examine curricula and recommend changes and additions; language training reinstated to increase the number of functionally bilingual officers who work in bilingual communities; and the curriculum for veteran officers who return to the Academy for promotion training include a human relations refresher course.

Judging by most reasonable standards, the L.A.P.D. has been understaffed in recent years, partially due to the problems created by alleged discrimination in employment practices which led to a hiring freeze. Now that this problem is in the process of being solved, the City should provide a budget sufficient to hire enough officers to serve the community in an efficient, thorough and respectful manner.

Representatives from the Department as well as community leaders have indicated a serious problem in the ability of officers to respond promptly to calls for assistance; once on the scene, the hectic nature of an officer's work in an understaffed division (backlog of work, other calls for assistance) may lead to pressured or hurried behavior by the officer which may be perceived as uncaring or abrasive.

Of equal importance is the strong voice of the South Central Los Angeles community, which is demanding greater protection and police commitment to help alleviate the high crime rate which afflicts the residents of greater Watts.

While activities are already being undertaken to persuade community leaders and the public-at-large of the need for an increased L.A.P.D. budget to accommodate an expanded force (most notably, the "8500 Plan"), the Task Force should also emphasize the need for an explicit understanding that the Police Department will commit itself to utilizing its officers in activities which promote positive and constructive relationships with the communities they serve; specialized positions in community relations must be given strong consideration as noted in other Task Force recommendations. Also, we urge the Los Angeles Police Department to establish an incentive program that would recognize police officers who perform outstanding race and/or community relations acts in the line of duty.

The Task Force recommends:

C. That the Department devote the resources and energy necessary to improve community relations and support efforts currently underway to expand the size of the Los Angeles Police Department. That the three organizations comprising the Task Force join with other responsible groups and individuals to support such efforts.

If effectively implemented, the recently signed consent decree will be a major step in eliminating the difficulties which have contributed to a low percentage of Black officers in the Department (4.5 to 7 percent). While increasing the number of Black officers on the force does not guarantee better police-community relations in South Central Los Angeles, statements by many interviewees indicate that the Black community often perceives that a Black officer may be particularly sensitive to the problems and pressures in the community. Officers who are aware of community conditions based upon their identification with the citizens and/or their own similar experiences of living in the Black community are often able to handle potential police-citizen confrontations more effectively. One effective method for bringing more Blacks into the Academy has been the joint tutorial project of the Los Angeles

Urban League and the L.A.P.D. This program has aided numerous individuals in gaining the skills necessary for entry into the Academy.

We also recognize that Black officers have not fared well in the area of promotions. There is no evidence that this has been due to the lack of qualified Blacks within the Department. Currently, only two Black officers hold the rank of Commander; none has ever reached the level of Deputy Chief. An example of the dearth of higher ranking Black officers was pointed out by one Task Force interviewee, who noted that only one Black officer above the rank of Sergeant works in the important Metro Division. Opportunities for qualified Black, other minority and women officers to advance within the Department are as important as the initial hiring of these officers. In light of the present development mentioned,

The Task Force recommends:

D. That the Department, the Chief and the City of Los Angeles be praised for their recent efforts to hire more black, other minority and women officers, following the signing of the consent decree.

That in addition, efforts should be undertaken to insure that opportunities for promotion within the Department exist and are encouraged among minority and women officers. In this regard, the requirement that a photo be submitted along with the application for promotional consideration should be eliminated.

Statements made by law enforcement officers, attorneys in the public and private sectors, police commissioners and community leaders have raised questions about the techniques currently employed by the Department to gather evidence following an Officer Involved Shooting (OIS). A number of those who met with the Task Force strongly questioned the "group interview" method employed by the L.A.P.D., whereby all officers involved in a shooting are brought together to "work out" the details of what took place. While no officer should be treated as a criminal suspect, unless evidence suggest so, accepted practice for interviewing witnesses is the individual interview. The L.A. County Sheriff's Department does not conduct group interviews. Other large police departments such as San Diego, Phoenix and Miami, utilize only individual officer interview for OIS investigations.

While the Department itself has been criticized for some of its procedures, it is actually the responsibility of the Police Commission to establish, clarify and enforce the implementation of sound investigative policy for OISs. The Task Force should direct its efforts toward pressing the Commission to make these sorely needed clarifications and revisions with deliberate speed.

The Task Force recommends:

E. That the Police Commission be pressed to implement its own recommendations contained in the Eulia Love Report, Part II. That the Commission should place special emphasis upon implementation of proper investigative procedures for Officer Involved Shootings.[1]

Whether or not the current investigative process is equitable, there is a strong perception, particularly in the Black community, of a built-in bias against the citizen and in favor of the accused officer. Currently, an individual who initiates a complaint is merely informed by mail of the Department's findings in the briefest—often only one word—terms. In addition, there appears little recourse for the civilian who believes his or her complaint has not received a fair or full examination. This holds particularly true where the complaint is judged "unsustained", which occurs most often when it is a matter of the civilian's word against that of the officer or the reliability of witnesses on behalf of the complainant is discounted by the Department investigators. Evidentiary difficulties, coupled with the often slow process of adjudication, may be unfair to the citizen and police officer. The latter must often endure unnecessary hardship and the burden of lingering suspicion under the current system. This suspicion may be further compounded by the lack of understanding of the step by step nature of the complaint process. Careful attention should be paid to the discipline imposed where charges against an officer are upheld. Officers have indicated that punishment is severe and onerous while, in contrast, many Black citizens are of the opinion that disciplinary measures are inadequate, especially where excessive force or discriminatory actions have been found. For the system to work fairly and to be thus perceived as well, it is crucial that discipline meted out be consistent with the gravity of the offense.

Therefore, the Task Force recommends:

F. That the Los Angeles Policy Commission and Chief Gates be urged to refine and publicize the process for adjudicating civilian complaints against officers, so that it will be, and be perceived as, fair and expeditious to both the officer and civilian. Among other modifications, complainants should be provided with copies of the official complaint and the officer's response and the disposition of the complaint should be communicated in detail to the parties involved. Efforts should be directed toward insuring that discipline is consistent with the gravity of the offense and that the rights of the officer and complainant alike are protected. The commission is urged to consider a selective review, on a periodic basis, of dispositions of those complaints which include charges of excessive force and/or use of derogatory language (based on race, religion, sex of the civilian), and finally, to eliminate unnecessary suspicion caused by inadequate knowledge, the procedures of the civilian complaint process should be clearly communicated to the general public and to each complainant.

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[1] We are pleased to report that as of June 15, 1981, the Department has adopted the individual interview of officers involved in shootings.

### EMPLOYMENT

The organizations which comprise this joint task force are committed to not only work for the implementation of these recommendations, but also urge all citizens who are concerned about the economic plight of the inner city to join them. The economic health of our total city is irrevocably tied to the economic well being of the inner city.

The rebirth of the inner city is dependent upon the need to create an economic community infrastructure that produces employment, industry and commercial ventures. Such a community should produce local ownership and the retention of money in the inner city. The primary answer for employment in the area is to build a strong economic local base by developing localized job sources. Local job sources can be created by identifying companies which primarily utilize unskilled labor to manufacture products. A tremendous need exists for jobs for the unskilled. If the residents of this area could be employed within the area there would begin a stronger economic base from which could also be developed the semi-skilled, skilled, technical and professional opportunities. Companies must be encouraged to relocate in the area and participate in complementary education programs which will help to establish long term benefits to business and the community.

Youth will be encouraged to focus their education on training that fits specific business needs. Companies would participate in the training and would provide work experience leading toward full-time employment upon completion.

Plans for a Century Freeway have been underway for over 15 years. Thousands of people were moved from their homes and entire neighborhoods destroyed. Until this day nothing has been accomplished toward putting this community back into habitable form. It is a festering sore in the community which tends to negate from the outset the implementation of all of the other recommendations.

Good child care centers must be established to assist large numbers of working mothers in the impact area. Every effort should be made to simplify the now complex system for establishing this vital service, while maintaining health, safety and quality, and for the establishment of Centers at work, in schools and in residential areas.

The area has an adverse image due to the frequency and severity of criminal activity. The safety and security of people and property must be insured in order to attract industry and commerce.

The Task Force recommends:

A. That an environment be created for targeted tax incentives and other benefits for businesses which locate in the South Central Los Angeles area. These incentives could also create the potential for local residents to purchase products which are manufactured locally.

B. That either the Century Freeway be constructed or the area developed for industrial and/or recreational usage.

C. That educational institutions and the private sector be encouraged to develop Child Care centers following the model of such corporations as Control-Data in Minneapolis and Hoffman-La Roche in New Jersey.

D. That business organize to conduct research that will ameliorate the problem of pilferage and theft so that retail merchants will relocate in the impact area, thus creating employment. Fast food outlets and their planning took that problem into account, and thus proliferate in the inner city.

In the final analysis, the existence of a solid economic base composed of people who live in the community is dependent on the enhancement of the quality of life there. If we are to discourage the withdrawal of the skilled work force from the impact area and encourage the establishment of business and industry, we must be determined to provide for all the normal amenities of community to include adequate housing, quality conscious schools, retail establishments, entertainment and recreational facilities, as well as safety of persons and property.

The housing patterns that have emerged in the inner-city have adversely affected education and employment. There is a concentration of large numbers of low income minorities in housing projects. These problems of housing in the inner-city must also be addressed and are discussed elsewhere in this document.

### EDUCATION

The Los Angeles Unified School District has undergone dramatic changes in recent years and is still involved in adaptation to significant new conditions. Although the school population is growing in some areas, most of the junior and senior high schools in South Central Los Angeles are not among those which are overcrowded. The quality of public education however, and access to educational excellence is of major concern to the community.

Urban children who often move several times in one semester need consistency in the basic school curriculum while allowances should be made for flexibility according to the needs of the area. However, all children must be literate as an end-product of education if they are to effectively function in society.

Younger people out of high school have not, possibly could not, take advantage of opportunities for skills development available to them, as evidenced by the fact that the student population of Trade Tech has an average age of 30. Students graduating from secondary schools are not able to compete for admissions to institutions providing job skills training, higher education and/or full time employment.

Student achievement in most South Central schools is low. Parent involvement has been missing but is essential in the education process especially in developing rapport with teachers on what is involved in advancing the school work of the student. Teachers need to assign homework related to class programs and provide feedback to the students and parents. This process has broken down in some South Central schools and students are not deriving the full benefits of the educational experience.

There are other factors which also account for low achievement in the South Central area. The reported high absence rates in secondary schools here and throughout California and the practice of promoting students according to their age contribute heavily to low achievement. Additionally, the problem of teacher stability has been particularly difficult in minority schools where government regulations have called for assigning teachers to achieve racial and ethnic balance. In some schools, this has contributed to a very high turnover of teachers, which together with the loss of good teachers by transfers and local resistance to the new teachers has created learning problems for students.

Education of any kind cannot be effective without safety on the school campus. Teachers cannot be effective and an atmosphere for learning cannot exist where destruction and violence prevail.

Teacher training colleges and university schools of education have not adequately prepared teachers for urban schools. Better teachers, improved standards of certification, improved performance of teachers and administrators and additional learning resources can help to encourage students to do better in the classroom and have more respect for the profession. Talented young people have been less interested in teaching careers because the prestige of the profession has declined in recent years.

Another problem of minority students is that unemployment is highly visible in their communities and this negatively affects their view of the value of education. There is little work experience involvement of students in South Central Los Angeles because there are relatively few jobs available in the community. Two out of three years of high school now have only five periods of study. If there were six periods for three years, the twelfth grade could be turned into a year of specialization for those who did not intend to go on to college—for example, the use of computers and other new technologies.

In addition federal resources, through Title I grants, have provided programs including counseling and teacher aides in classrooms. There have been some gains and magnet schools have also provided enriched programs in specialized areas of instruction but there are current plans to cut back on funds which support these programs.

There is a consensus on the need to refocus the mission of the Los Angeles Unified School District so that the interests of students and the community can better be served. The whole community, everyone—not just those with children in school—has a vital stake in public education.

The Task Force recommends:

A. That the LAUSD place greater emphasis on courses and curriculum that lead to jobs in growth sectors of the economy without sacrificing basic academic skills.

B. That LAUSD prepare students for the job opportunities after involvement of the business sector in the identification of industry labor needs.

C. That LAUSD provide students with the skills to perform at a minimally acceptable level on written performance and aptitude tests for higher education and employment.

D. That parents become involved in their child's education to the extent that they take on the responsibility to encourage completion of homework assignments and provide feedback to the teachers. That the schools must provide experiences which provide good role models and encourage understanding of our multi racial society. Parents, teachers and administrators must facilitate this positive learning environment and promote equal access to quality education through involvement of the entire community. Community institutions which can relate positively to students must be involved and financially support needy students. Recognition by the Community of those students who achieve academic excellence will also contribute to a healthy environment.

E. That the teachers must be accountable for promoting students when they have shown academic achievement. Students should not be promoted according to their age. Promotion at every grade level should be on performance. Students graduating from elementary school must be able to read, write and compute. Students graduating from the secondary schools must have skills that make them employable, prepared for other education and capable of critical and analytical thinking.

F. That absenteeism rates must be reduced and retention of students to high school graduation become a primary goal. In addition, the rate of truancy must be considerably reduced.

G. That the reason for violence in our schools and the proposed solution to its correction must be addressed by the school administration, the Board and the community.

H. That the school district must establish a stable and committed teaching staff. If properly implemented and supported by the district, RIMS appears to possess a potential to make a significant impact upon the quality of education occurring in racially isolated South Central schools. In addition, the Triad Cluster Pilot programs will include three schools (95th Street, Bret Harte and Washington High School), whose staff, students, teachers and parents will be carefully selected to insure interest, dedication and quality. We recommend these programs be continued and even expanded. Colleges and universities must also take responsibility for the courses taught, the quality of teachers they produce and for making teacher training attractive and rewarding.

In focusing on education in South Central Los Angeles Schools, it is apparent that a large segment of Black students are attending racially isolated schools and are receiving an inadequate education. Each year thousands of the graduates of these schools are seeking employment without marketable skills. They are also in an educational environment isolated from students of other racial, religious and ethnic backgrounds.

The Task Force reaffirms its commitment to equal and quality education for all Los Angeles students and calls upon the Los Angeles Board of Education to aggressively implement creative voluntary school desegregation plans and programs, even though the California Supreme Court has upheld Proposition I and in effect, eliminated mandatory transportation as a method for desegregating the Los Angeles school district. We also urge the Los Angeles Board of Education to implement effective policies and programs to immediately improve the quality of education in all racially isolated schools, whether populated by Black, other minority, or White students.

## HOUSING

The current lack of adequate shelter in South Central Los Angeles has undoubtedly been exacerbated by the more general housing crisis. High interest rates, rising material and labor costs, speculation and rigid government regulations have combined to create an adverse climate for housing development in Southern California.

Watts, in addition to the above-mentioned woes, suffers from several symptoms which are particularly related to the nature of the community and the historical approach which has been taken to ameliorate housing shortages in poverty areas. The "curfew" area—that geographical location affected by the 1965 riots—has not seen any new housing built over the last fifteen years, save those projects which rely heavily on government subsidies. In addition to the shortage of new units, according to the Los Angeles County Human Relations Commission. This syndrome may be the inadvertent result of the McCone Commission's recommendation for the "implementation of a continuing urban rehabilitation and renewal program for South Central Los Angeles." At one time, government agencies encouraged accelerated deterioration of a community prior to engaging in urban renewal, by withdrawing public services and in effect abandoning areas such as Watts. Federal agencies specifically created the concept of "redlining"—a practice which was recently declared unlawful.

Certainly, housing problems are interrelated with education, employment and transportation issues. Without a solid economic base, Watts will continue to be plagued with long-term dependence on heavy subsidization by the government, problems connected with high absentee landlordship and the deterioration of housing stock.

A prime example of failed past efforts has been the four "projects" built in Watts: Jordan-Downs, Imperial Courts, Hacienda Village and Nickerson Gardens. These complexes house 10,000 inhabitants in 2,451 high-density units. Their existence has had an adverse effect on the general health of the community. Claustrophobic living conditions have created a climate of increased despair amongst impoverished residents, who are isolated from necessary social help and the means of escape from poverty.

These projects have ultimately provided a breeding ground for crime and gang activity.

Two bright spots do stand out in the housing picture. The Watts Labor Community Action Committee (WLCAC), under the leadership of Ted Watkins, Sr., must be recognized for its ongoing demonstration of the advantages of a partnership between local community organizations, private industry, labor unions, and the government. The WLCAC's projects—mostly relocated and rehabilitated homes from the Century Freeway program—have been high-quality units, generally well maintained by the WLCAC's own maintenance division. Although cost-per-unit has been high, these programs have utilized and trained local residents, particularly youth, in the construction trades. The WLCAC also fosters community awareness and pride—and invaluable dividend.

Mead Housing, a non-profit corporation, has recently begun construction of single family units in Watts, which are well designed and built, and sold through flexible and reasonable financing mechanisms. Their work should be commended, encouraged and replicated where possible.

The efforts of the above-mentioned groups point to the potential of South Central Los Angeles. With the growing trend of the return to the city by the middle class, Watts stands out as the only significant area proximate to downtown which remains wide open for development. However, significant psychological barriers must be hurdled before this potential may be fully envisioned and utilized.

It is our view that Watts can become a self-sufficient community with adequate long and short range planning, and achieve independence from the opprobrium of perpetual poverty and dependence on residual government programs.

The Task Force recommends:

A. That local government develop "Housing Impact Zones", creating incentives for private industry to construct both single and multiple housing units, with the insurance of a reasonable profit potential. We suggest the following mechanisms be created to stimulate housing development in these Zones: Speed up the permit process. Current two year delays greatly increase builders' costs, and are more related to bureaucratic procedures than insuring quality construction; develop government and community sponsored patrols in cooperation with builders to reduce pilferage and vandalism on construction sites. These patrols could address ongoing security needs in the community; provide "write-downs" on land sold by the government for housing development, and property tax reductions until such time as profits may be realized by the builder; allow for "bonus" units on those lots where zoning restrictions place a limit on the number of units which may be constructed. Many lots could be zoned up by one or two units without creating a density problem; create an incentive system to encourage the employment and training of local residents in the construction trades by those builders taking advantage of the Housing Impact Zone opportunity; and encourage, where feasible, private industry's utilization of the infrastructure of the neighborhoods and communities where these Zones are located. Consultation and cooperation with community organizations may help insure success and avoid pitfalls and problems an outside builder might encounter in an unfamiliar area.

B. That the Federal Government retain and consider expanded utilization of Section 8 funding, which has a proven record of stimulating private development. Additionally, Section 8 payments should be made directly to families, not landlords. This will enable families to bargain for competitive rental rates and also create an incentive for multiple-unit owners to provide quality maintenance and upkeep for their properties. Accountability to tenants receiving Section 8 funding directly will also eliminate the need for unnecessary government bureaucratic intervention.

C. That emphasis be placed on construction of affordable and desirable low-density units for lower and middle income households. Multiple units should include amenities which enhance the desirability for longer term occupancy, such as recreational facilities, laundry facilities and proximity to transportation. Large projects particularly those with 250 or more units, should be strongly discouraged.

D. That long term efforts include the goal of economic and racial diversity. For this to occur, the city and county must improve its services and commitment to South Central Los Angeles. Working and middle class people of all races will avoid the Watts area until such an improvement is visible. Current residents will also direct their efforts toward "escape" from South Central Los Angeles as long as neglect of the community continues, and residents live in fear of their personal safety and security.

Mr. Dymally. Thank you very much, Mr. Mack.

Ms. Wright?

Ms. Wright. Thank you.

Several proposals have been advanced at various levels for substitute programs to help the cities. One of these is the urban enterprise zone concept which is being considered by Congress at this time.

Although you didn't mention the urban enterprise zone concept in your statement by name, some of the things that you talk about are components of that program—tax incentives for location of businesses in inner cities and that sort of thing.

Do you see that kind of program as being able to work in the Los Angeles area?

Mr. Mack. The concept, as I understand it, as it has been described, offers some potential. One area of great and critical concern to me, which I addressed in my testimony to you, is the area of really targeting.

I think it is awfully important that if businesses are going to be offered tax incentives and this kind of inducement, it is extremely important that there be a built-in requirement and stipulation that they are rewarded for staying in the city, and more particularly, rewarded for focusing in the highest areas of unemployment. In other words, where the greatest needs are.

I think the concept, from what I have heard, of the urban enterprise zone, may well be a possibility. The complete detailed proposal, of course, still has to be hammered out. But it may well be the way to go.

But I guess the caution or the red flag that I would throw up would be the need to make sure it is done in a manner that, in fact, would result in job creation and training opportunities for the people who are most severely impacted.

Ms. Wright. One of the components of the urban enterprise zone program and other programs of its kind would be the use of wage subsidies to encourage employment of CETA-eligible people, previously unemployed people, or local residents, or some other category of employees.

There has been some criticism that this particular concept will not result in the hiring of minimally skilled persons; that businesses will continue to hire overqualified or more highly qualified people for the jobs that they have available.

Could you comment on that aspect of the program?

Mr. MACK. Well, again, I think this gets back to the point—this is where it is absolutely important for the Federal Government to build in stipulations and build in requirements that those employees who participate would have no alternative, that they were going to benefit from this kind of program, but to make sure they zero in on the people at the bottom end of the skill barrel, the bottom end of the employment ladder.

That is why some of us become very nervous when some of our elected officials begin talking about, in effect, turning the money over to business and letting them basically do what they will.

I would submit that the Federal Government and the Congress could not adopt an attitude of no strings attached, a handsoff attitude, and expect it to work.

Otherwise, we would not find that practical result you just cited, in my judgment.

Ms. WRIGHT. Looking at the other side of the skills question, the idea of being able to train people who have no skills, so they are able to go out and compete for the jobs, you mentioned the need for a partnership between the educational system and the business sector to train people and then provide jobs for them.

What can the Federal Government do in terms of educational policies to encourage the training of minimally skilled young people to be sure that when they get out of the educational system, they do have something that is marketable?

Mr. MACK. I think it is conceivable and probably desirable that maybe Congress can enact legislation, or if legislation not be enacted, certainly that programs be established, at least funding be made available, to encourage those school districts that are seeking Federal support—and all of them are—that those who come forth with innovative kinds of working together—we hear quite a bit of talk about magnet schools, for example.

There are some that are beginning to function here in Los Angeles. In theory, this is an approach and a concept that is to encourage academic excellence, it is to encourage adequate and effective preparation.

And some of the magnet schools here in Los Angeles are even focusing in on working very closely with some businesses to make sure the people are specifically prepared in certain kinds of areas.

And I would think that to offer support to encourage that kind of approach is one thing that Congress could do and the Federal Government could do.

Ms. WRIGHT. The pilot program that you mentioned with the elementary and the junior high school and high school levels; under whose auspices is this pilot program being conducted? Is there extra funding that is required for this, what kind of funding is available?

Mr. MACK. It is being operated under the auspices of the Los Angeles Board of Education. It is a product initiated from within by some administrators from the district; the new superintendent supports it, and a number of black administrators and educators who are active in this area have been strong advocates of it.

I would expect that if it is successful, the district will clearly need more financial support—if it is going to be expanded so that it is going to make a material impact—so we don't find ourselves in the same old situation of having a few hundred students benefiting while thousands of others are being untouched.

So it would seem to me that is where the Federal Government may have a role to play. Los Angeles is a very large district, as you know. We are talking about hundreds of thousands of young people who potentially would be in need of that kind of support.

So it seems to me that is where there would be implications for Federal participation.

Ms. Wright. There are also, I believe, some programs within the private business sector, National Association of Manufacturers, or some business groups, that are operating some kinds of programs in the training and employment area, particularly related to young people—summer jobs programs or some kind of a program that would encourage young people to develop skills and to become employable.

Is it your feeling that these programs cannot be effective without Federal support? Is there any way in which the private sector—totally by itself—could develop and implement effective programs?

Mr. Mack. No; I don't think the private sector can do the job totally by itself.

Neither because I think the private sector has the complete and total resources to do it, and I am not sure in every instance the private sector would have the will to do it.

I think in all candor, it has been our experience that people have to be provided with some encouragement and inducement to do these kinds of things.

Not all businesses are concerned about the problems of the unemployed. Not all businesses are concerned about the problems of black people.

So I think there needs to be some governmental involvement if for no other reason than to encourage those who are positively motivated, and to maybe put some pressure on those who are indifferent, and who would be encouraged by it.

I think for both those reasons, it is important that there be a partnership arrangement.

Just in terms of the private sector's ability to do the job totally alone, I have found an interesting reaction within recent months in talking with a number of business leaders who have previously certainly been very strong advocates of the idea of the Government getting out of their lives, and saying all they need to do in order to be able to be effective, successful, and thriving is to have the Government removed.

Now, as they are being accommodated by the new majority in Washington, I am hearing some of these same people complain that they are not sure they can handle the whole load.

That is probably going to be rethought by a lot of people.

Ms. Wright. Thank you, Mr. Mack. I have no further questions.

Mr. Dymally. Mr. Frazer?

Mr. Frazer. Thank you. Mr. Mack, at the risk of being charged with restricting minorities to technical and industrial areas in education, do you feel that the technical and industrial schools in this city are adequate, or what do you feel is necessary to bring them up to par?

Mr. **Mack**. I think the technical and industrial schoo[illegible]ke a good contribution in this area. I believe that they [illegible] to be strengthened from a number of standpoints.

I think all too often they don't have the resources in order to get the job done they need to get done. I believe that some of them, at least some of the administrators involved, are not always as sensitive and tuned in as they should be to the needs of minorities, not that they are not capable of teaching a specific kind of skill, but there is a mentality that some of our young people find themselves facing.

I think also—not the technical schools so much, but I believe we have an educational job to do ourselves from the standpoint that we have to have our young people understand that it is all right to have a trade, it is all right, you can still be a worthwhile useful citizen if you don't have a college degree, for example.

As I am sure you well know, there are a lot of people who end up leading very useful lives, productive careers, and many of them would make more money than I am sure we could hope to ever make.

So, a part of the problem that we face is to have—to reorient our own young people to understand that it is not an either/or proposition.

Yes, fine, encourage as many young people as possible to go to college, those who are so inclined, and who have the ability.

But also have those understand if you don't go to college, this is another route. So the technical schools, I think, face that kind of role dilemma. And that is probably a role we both have to work to—we in the general community, as well as the technical schools themselves have to concentrate on.

Mr. **Frazer**. Do you feel that the business community has demonstrated on its own an awareness of the problem, the unemployment, underemployment of minorities in this city, and what you observe as to what it is doing, the business community, doing on its own to help overcome the problem?

Mr. **Mack**. We have some individual examples here and there where some members of the business community are showing a concern in that regard.

But I would have to say that I have not seen the kind of all-out commitment that we need to have in this regard. As an example, with the 7,000 layoffs that occurred a few months back, going back to the CETA title VI workers, there was an announcement made by the local chamber of commerce that they were going to establish a listing service, and canvass their members to commit to providing jobs for these individuals, at least for the majority of them.

To my knowledge—I don't have the most accurate figures to date, so I cannot quote you precise numbers—but at least upon last inquiry, it was my impression that the response from the business community, and from many of the members of the chamber, had been slow and have not been as positive as originally hoped.

This would, I think, show—that is symptomatic of a lack of real commitment, in my judgment, by enough members of the business community in this city.

Mr. **Frazer**. Thank you. I have no further questions.

Mr. **Dymally**. Thank you very much.

John, what is the present thrust of the urban league now, given the high rate of unemployment that you are now experiencing and you anticipate with the final phaseout of CETA?

Mr. **Mack**. There are several areas that we are attempting to pursue.

We have one program that has been highly successful, and maybe it represents a continuation of the response to the previous question. We have a data processing data center that has been extremely successful over a number of years.

I am sure you are aware of it. The Bank of America, IBM, have been in a partnership arrangement with the Los Angeles Urban League. Within the past year, other companies joined.

We offer four classes. There is a secretarial word processing class, Systems 3 programing and operations.

We feel very good about the result achieved, because we are preparing people for the computer world. As you well know, that is an area where you are talking about jobs for the future.

Our experience has been very successful in not only training, but in placing individuals. We are hoping to expand that program and that kind of program into other areas.

We also have a couple of programs where we have special contractual relationships with other members of the private sector—General Dynamics, Pomona Division, six divisions of ITT Corp., where we serve as a special recruiter for technical, professional and beginning managerial-type personnel for these companies in identifying blacks in particular when they were not otherwise able to identify them.

We are certainly going to encourage the expansion programs such as this.

By the same token, we also operate a title VII-funded program, out of the Pomona area, that has been rather effective. It is one of the early pioneering efforts in this community, at least, where we work in close concert with General Dynamics and some other employers, receiving funds through the county of Los Angeles, and have been able to train people as machinist helpers, as electricians, and that kind of activity, we would hope, would be continued and hopefully somewhere along the line, be expanded.

So it is my hope that we are going to be able to continue working both in the private sector, increasing their involvement, but at the same time, being able to continue the partnership with government.

Because, as I said before, I think government cannot completely get out of the business of training and employment. Certainly the urban league does have a kind of track record that I think has demonstrated that we can effectively team up with the public and the private sector.

Mr. **Dymally**. Vocational education got a bad name in minority communities, because counselors were prone to push most of the minority students to vocational education. With the age of technology upon us, we have to rethink and relook at that whole concept of technical training. I have suggested, from time to time, that we change the word "vocational" to "technical," so it sounds more attractive.

But there is no question in my mind, we are moving into a technological age.

Why is it a program like yours, minus all of the credential teachers and Ph. D.'s, is so successful, and yet our schools are being criticized all the time for not moving in that direction.

That is a dilemma we face.

Mr. **Mack**. I really think one of the real differences is that we would work very closely with the business community in planning, in shaping the training, curricula, as well as having them involved every step of the way with us in physically implementing some of the training, that at the end of the line, they are going to have someone who is going to possess the kind of skill, at least the kind of beginning skill, that they need in their particular business.

I think all too often in the vocational school, in the public school setting, you have counseling, you have training taking place in isolation, totally unrelated to the job.

I really think that is a real key and a real missing link here. And this may well be an area where government can come into play in bringing those two together.

Mr. **Dymally**. One of the pioneers in this area is our own Senator Bill Greene, who has been moving in this direction. He is going to offer some testimony here through his aide.

I thank you very much for coming.

Mr. **Mack**. Thank you very much.

Mr. **Dymally**. Our next witness is Mr. Nishinaka. Mr. Nishinaka, for the record, give us your name. Would you summarize your testimony, please?

Do you have any written testimony?

## STATEMENT OF GEORGE NISHINAKA, DIRECTOR, SPECIAL SERVICE FOR GROUPS

Mr. **Nishinaka**. No.

My name is George Nishinaka. It is a pleasure this morning to have an opportunity to give testimony before the U.S. House of Representatives Committee on the District of Columbia.

I understand acting today, Congressman Dymally, as chairman, and distinguished panelists here—you are concerned with the urban centers or cities and their problems.

I should first, for the record, say that I am a social worker. I graduated from the University of Southern California School of Social Work just adjacent to this area where we are having this meeting today.

I have now been in the field or practiced for 30 years. My current position, I have been there 22 years now, as executive director of an agency known as Special Service For Groups. It is one of the 250 United Way agencies in Los Angeles.

The point of interest for this particular panel might be special service for groups, or SSG, grew out of the 1943 zoot suit riots here in Los Angeles. So today, though, the agency, SSG, serves minority community groups.

It provides SSG special services in the area of what we call developmental services, management services, and research services. But the line that goes through the agency operation, it is a community-based, shared-community-controlled endeavor, and we now umbrella 16 different programs and projects, mostly funded by Federal funds, State funds, local funds, and private funds.

I should also note that I have been for 6 years prior the executive director of the South Central Area Welfare Planning Council. And the south-central area at that time was described as Pico to the north, Alameda to the east, Crenshaw to the west, and Roscrantz to the south.

As you are probably aware, this was the 1965 curfew area during the Watts riot.

Since I mention that I have been nearly 30 years in community service, my comments this morning, and obviously my opinion, is that I am convinced now more than ever of the findings of the Kerner Commission report which, in effect, was a Presidential commission to take a look at the violence in the United States during the early sixties.

It was unfortunate at that time that L. B. Johnson, our President, received that Kerner Commission report—but along with the happenstance of the time, as you recall—we were engaged in the Vietnam war. And I think it distracted us from dealing with some of the findings of the Kerner Commission report, which were more addressed to the domestic concerns and the problems that we had at that time.

When the Kerner Commission report came out, I think, very clearly, that the one major problem, if there was one major problem, was racism.

And this conclusion was reached—if you go back to the Commission report, well-documented—that if racism is to be dealt with, you would have to bring, as they put it, the in- and out-community together. I interpret that to mean some kind of a bridging process had to take place to bring together what I would think would be called the establishment on one side, the nonestablishment on the other side, the haves on the one end, the have-nots on the other end, and the minority and nonminority.

I think they could have gone one step further and might have implied, I think, there has to be also some bridging between the interminority ethnic groups.

Now, as you know, the antipoverty program was launched, and that every program, be it health service, social service, educational service, they would have to have built in what they called community action or community involvement.

But I don't think they went the one step further they could have gone at that time, and that is to demand that in that community involvement, they involve the various different communities, so that there would be interaction that I think the Kerner Commission report was trying to recommend.

It is also unfortunate that all the problems that your committee is concerned about obviously grew out of over a period of 150 years.

And yet, in a short 15 years of the antipoverty program and other programs, they miraculously expect to have all of those problems irradicated or resolved.

I personally think that is unfair.

Unfortunately, I also think the current national direction is wrong. I think it is wrong because I don't think we are addressing this problem of racism. As you recall, that report grew out of the study of violence, and violence in this country, the report said, the base is racism.

My prediction, I think, at this point here, with what is happening is that things are going to get a lot worse, and it is going to take and act of the national will if anything is going to happen to turn this around, if we are to survive.

I really believe we were on track. We are really getting off track now.

In fact, I think we are getting on a whole new track. I think it is unfortunate that we in the United States of America tend to swing like a pendulum one way then the other, overcompensating each time. Because I don't think it is an either/or kind of question.

As an example, I remember even during the antipoverty program, the questions were like professionally trained versus untrained people doing the work. Or that nonethnic minority versus the ethnic minority, State versus Federal. The pendulum kept swinging one way then the other.

I think it is all wrong. I think it should be down the middle. I think it takes both. It is a matter of how you merge and team them. Because I think logic tells us what the facts are; as an example right now, the 50 States in our country are unequal in their resources, either be it dollars that they can put together, or in human resources.

No. 2, the United States of America, being a constitutional nation, there are certain rights and freedoms that are guaranteed to us. Freedom of religion, free speech, freedom of assembly, freedom of the press.

I think one other implied certainty in practice is freedom of movement.

This means that we have people, U.S. citizens, moving from one point geographically in our country to another geographic location, which we call migration.

Now, interestingly, and I think correctly, whenever anything happens between two States, across State political boundaries, geographically or otherwise, we call that interstate.

As soon as that happens, the Federal Government, for good reasons, feels that they have a prime responsibility. In the area of communication, radio, television, you have the FCC. If it is airlines that travel interstate, you have the FAA.

And when you think in terms of national defense, we have A for the Army, AF for Air Force, and N for Navy.

So that time and again when we talk about interstate happenings, the Federal Government has a prime responsibility.

Again, people, U.S. citizens, all of us, we have that freedom of movement. I, myself, being of Japanese ancestry, born in this country, but my parents came from Japan, have a special interest relative to the Asian community in the United States.

Right now, it is immigration, but after that, there is a lot of migration taking place within our country.

But one fact is that right now, for every four persons coming into this country as a new immigrant, one is an Asian.

So countries—and here I am talking about the rural area, the farm country—movement of people to the cities, and the interstate movement that takes place.

I think that U.S. citizens, we as individuals, have needs, we have problems, and we have more needs. As we carry this from one point to another, there are health needs, social service needs, educational needs.

In some way or another to tell the State, the respective States, that this is your problem, that it is not ours anymore, and the States begin to say—well, at this point, since they are residing in your State, that is your problem, that is not my problem anymore.

I think inherently there is something very definitely wrong. At least for me, it makes no logic.

I think because of this, the current track that we seemingly are moving on could very well fail. And I think the manifestation will begin to show when again the people, our citizens, begin to die of malnutrition, the people, our citizens, become more ignorant. The citizens begin to die of diseases. And people and citizens dying more because of violence. And it goes on and on.

I think to turn it around we have to think again in the worth of the individual; we have to think in terms of the worth of the individual who is our citizen. We have to share responsibility and resources.

As the Kerner Commission so clearly stated, we have to bridge the in and out.

From this—I have read your report of last year—the deliberation of your committee, one concept that was coming out, which I would support—because I think we need something that has that kind of focus and charisma, if that might be the word, and that was the concept of the Marshall plan for U.S. cities.

Because if we understand what the Marshall plan did for foreign countries after the war, and how the Marshall plan has been conceptualized and used in other areas outside our own country, it means that whenever there is something that is lagging and we have to catch up, you have to do something with the rear wheel if it is to catch up with the front wheel.

This has been said many, many times. If that is the concept of the Marshall plan, I think for the cities of the United States, unless something very special is done in these cities, I don't think you will solve the problem of first bringing in the out communities, you won't solve the problem of racism, and you won't solve the problem of violence.

My last remark in closing is public versus private. Lately, I have heard "private" spoken so often, and I have a lot of my colleagues with nonprofit private organizations, and they think this is now going to be our turn, because we are going to turn to the private sector. But I think, as I understand it, the private sector you are talking about is the private profit sector.

I am concerned about the private nonprofit sector, because that is the sector that I represent.

And again, if and when—and I truly hope soon—that we can begin to turn it around and get back on track, to be concerned with individuals; be concerned with sharing our responsibilities, and truly bridging the in and out communities.

I hope in that process not only the public agencies, but also the private agencies and within it the term "CBO's" have become very popular, standing for community-based organizations, the nonprofit community-based organizations, are written in so that they have a significant role to play in the resolutions of the problems and concerns I think that your committee has been concerned about.

Thank you.

Mr. DYMALLY. Mr. Nishinaka, a couple of questions. First, we would be pleased if you would like to submit a written statement to the committee at some future time.

[The information follows:]

### THE SSG STORY

The genesis of the SSG Story is found in the 1943 "Zoot Suit Riot" in Los Angeles when the community responded with an initial Community Chest allocation of $250,000 and established the Los Angeles Youth Project.

Although the Project provided many of the traditional services and coordination, the failure of its first year experience to meet one of the Project's major objectives of reaching the "hard-to-reach" indicated that a new service was needed. The successful youth project demonstration of the Special Service Unit of reaching the hard-to-reach gang members justified in 1952 its program continuation and incorporation as Special Service for Groups, Inc.

Today, SSG is a multifunded research and development agency, providing its special service in program development, fiscal management and other specialized technical assistance to community groups enhancing the development in community based highly innovative demonstration projects and testing out new service delivery and training models.

There are many SSG stories; however, the highlights of these in retrospect of SSG evolution and development over a 30-year period are as follows:

1945—Special Service Unit was established with a budget of $28,000.

1952—The Unit was incorporated as Special Service for Groups, Inc., with Heman Stark as Chairman of the Board and Leslie Eichelberger as Executive Director.

1959—George M. Nishinaka joined SSG as Executive Director following the retirement of Leslie Eichelberger.

1961—Pasadena Project was launched marking first SSG contractual service agreement with an organization, other than the Los Angeles Community Chest, the Pasadena Community Planning Council.

1962—SSG moved to 2400 South Western Avenue.

1963—Partway House Project funded by the California Youth Authority established for the first time SSG's acceptance of public funds under a contractual service agreement.

Unit Placement Project was established with University of Southern California School of Social Work, enabling Community Chest budgeted funds to be directly used for the first time specifically for training. Of the 10 units at USC, SSG unit became the one and only one under a private agency auspices with private funds from the then Los Angeles Community Chest.

1964—Delinquency Prevention Clinic, established with funds from the President's Committee on Youth Crime and Delinquency via the Youth Opportunities Board, making SSG's acceptance for the first time of federal funds.

1964—SSG received the 1965 Special Award from the California State Delinquency Prevention Commission in recognition of its outstanding contribution in 1964 to the prevention and control of delinquency.

SSG established Board policies which delineated the following objectives:

(1) To develop new kinds of relationships with "grass-roots" groups and private and public funding organizations; (2) To meet community needs with program developmental capabilities which utilizes the concept of flexibility in the expansion of SSG service by developing research and demonstration project; (3) To recruit Board members who can effectively fund raise for SSG; and (4) To incorporate into each program quality, growth and competitive salaries.

Operation Escape String launched with OEO "antipoverty" funds which provided an opportunity for SSG to help in the development of the Sons of Watts Community Enterprises, Inc.

1967—SSG purchased from Portels House, Inc. property located at 1188 South Bronson Avenue as first acquisition of real property by SSG.

1968—Property at South Bronson Avenue named "Randall House" in memory of Paul M. Randall. Mr. Randall had financially assisted during the early 1950's in initiating SSG's camp program. The Youth Development Foundation which he also established has continued to financially support annually SSG's high potential special demonstration programs.

Project Hopelessness to Leadership, aka Operation Hope, was approved for funding by the National Institute of Mental Health as a 5-year special research-training grant.

Bassett Youth Service Bureau was launched with funds provided under the California State Youth Service Bureau Act. Bassett Youth Service Bureau was the first in Los Angeles County and one of four in the State of California.

1969—SSG Core Administrative and Development staff was established with United Way funds which was a new way of utilizing totally United Way funds by a community based social service agency for research and developmental purposes.

1970—Operation Student Action launched with a grant from Youth Development and Delinquency Prevention Administration as a reserach training project, involving 72 Cal-State students and 5 Los Angeles County Probation District Offices.

Project Arriba was launched in South El Monte with a grant from the California Council on Criminal Justice involving funds from the U.S. Department of Justice and the California Youth Authority.

Adopt-A-Family, Inc., established affiliation with SSG.

Yellow Brotherhood, Inc., also established affiliation with SSG. Yellow Brotherhood Center opened at 1227 Crenshaw Boulevard.

SSG received a Project Development grant from HEW Rehabilitation Services Administration to develop plans for a Residential Pre-Release and Training Center.

Project Culver as a joint program with Culver City Policy Department dealing with drug knowledge and abuse among elementary school children was launched with California Council on Criminal Justice (CCCJ) funds.

SSG Institute, "Special Delivery and Training Approaches for Institutional Change in the 70's" was held at the Ambassador Hotel with over 200 persons attending.

Board of Counselors established with a charge to advise and counsel SSG Board officers and directors with regards to SSG goals and objectives.

1971—Sons of Watt's O.R. Assistance and Rehabilitation Project was launched with funds from HUD, Los Angeles City's "Model Cities" program. SSG maintained a subcontractual agreement for fiscal management and technical assistance with Sons of Watts Community Enterprise, Inc.

The Asian American Social Worker's Demonstration Project for Asian Americans was launched with a research and planning grant from Social Rehabilitation Service of HEW. The project had operational offices in Los Angeles, San Francisco and Seattle, making it the first inter-state program for SSG.

Eight Charter Members installed as SSG Board of Counselors at first joint Board meeting.

1972—The Asian American Community Mental Health Training Center was launched with a research training grant from NIMH. The uniqueness of this center was that it was to be community based and controlled.

1973—The Asian American National Mental Health Coalition was launched with a research-demonstration grant from the Minority Center of NIMH, making it the first National Program for SSG.

Operation Hope began its second generation demonstration program by incorporating refinements from the initial project including the further development of a unique relationship with Loyola-Marymount University.

George M. Nishinaka, Executive Director, received the Koshland Award for outstanding professional contribution to the planning and administration of programs in California.

1974—The Bassett Youth Service Bureau, a youth diversionary program, received General Revenue Sharing funds from Los Angeles County to continue its service to the San Gabriel Valley.

The Los Angeles Community Design Center contracted with SSG for fiscal management and program development services.

Asian American Mental Health Research Center was funded by the National Institute of Mental Health to establish the first National Asian American Mental Health Research Center.

1975—Occupational Therapy Training and Education Program developed, in conjunction with the California Youth Homes, to provide work "readiness" assistance to group home residents.

1976—The Pacific Asian Elderly Research Project received funding through the the Administration on Aging to assess the needs of Pacific/Asian elderly within various ethnic communities.

The New Pioneer Mental Health Project was established to serve the mental health needs of the burgeoning Korean population in the Los Angeles area.

SSG was awarded a contract by the National Institute of Mental Health to determine criteria for development of effective Public Service Announcements targeted at the Pacific/Asian communities.

1977—SSG celebrated its 25th anniversary with a week of workshops and meetings that over 1,000 people attended.

The Community Pest Control Project which provides cockroach control services to low-income households was established.

1978—Project Chance, a Comprehensive Employment and Training Act work experience project, was established to serve 75 disadvantaged residents of the City of Los Angeles.

The West Blvd. Child Development Center was funded to serve preschool children of working parents.

The Multi-Cultural Oral History Project designed to record the reminiscences of early residents of the area was initiated with a multi-ethnic staff.

1979—Six new projects were established: Formalized Re-entry Evaulation and Education (FREE) to serve ex-offenders; Landscaping, Agriculture and Natural Development (LAND) to train gardeners and beautify the community; Pacific/Asian Alcoholism Commission to provide technical assistance to service providers; Pacific/Asian National Mental Health Research Center; Pacific/Asian Elderly Resource Center to provide information and assistance througout the country; and Salud y Seguridad to provide health and safety information to low-income Hispanic community.

1980—The Pacific Asian Alcohol Research Project was initiated. This was the first federally funded project to investigate Asian and Pacific Islander alcohol use patterns in the nation.

The LAND Project was expanded to train and serve residents of East Los Angeles.

State funding for enriched nutrition for children at the West Blvd. Child Development Center was secured.

The SSG Symposium, "Thinking Forward in the 80's," was held at the Portofino Inn. Board, staff and selected scholars joined to provide direction for SSG in the 80's.

Mr. DYMALLY. At your request, we will send this transcript to you for your review.

Second, could you comment on the testimony given this morning by the district attorney's office on youth gangs?

Mr. NISHINAKA. Well, first of all, with many things that he said, I do not disagree. But always what happens is that that is only one side of the story. There is the other side of the story, too.

As far as dealing with gangs, violent gangs, my experience goes back to the 1930's and the 1940's, as I was one of the Japanese Americans living in Los Angeles, we were evacuated, relocated to assembly and relocation centers during World War II, before I went into military service, and we had gangs in these camps, and we had to deal with them.

One of the concepts we used at that time was to take the leaders themselves and put them right on our staff, and for the first time, we started to solve some of our problems.

What I am trying to say here is I hear so often today people talk about the gang phenomena, and I will admit, it has not gotten any better. It has gotten worse; much more violent.

We have use of handguns, compared to back in the 1940's when zip guns, were maybe the artifacts, and chains and knives. So it is much more lethal now. But it is like when I hear they are inventing the wheel again, and I am trying to avoid that by saying that the phenomenon—we live with it here in Los Angeles—from back in the 1930's and maybe beyond.

But my recollection is then and up. And some of the things that we heard this morning in testimony to do with the hardcore, as was described, and if they are the ones who are leading, and are the real violent, something obviously has to be done with that individual or that group, somehow or other to get control.

But just doing that, obviously—and I think he implied that—that alone won't solve the problem, because the problem that permeates within the community is more of what I was talking about, and we have in this country the problem of the haves and the have-nots.

And many people have been trying to pull it together. But what I am also saying is we are getting off on a new track—I think we are moving in a different direction of widening that gap rather than closing it. And that is in the area of economics.

Now, beyond economics, and in this country, since that is our system, it affects everything. It will affect education. And I heard other testimony about education, the plan that they are attempting to put together here in the south-central area.

However, if you read the newspaper this morning, the movement in our public education program, because of the lack of funds, is exactly in the reverse way. What has happened already in our cities, there is already tremendous overcrowding in our schools. And he speaks about 600 per elementary.

There are schools that have two and three times that in Los Angeles. And the problem that they have is again want of legislation, they are almost prevented from building new schools.

So what are you going to do?

Mr. **Dymally**. Ms. Wright?

Ms. **Wright**. Thank you. Mr. Nishinaka, could you explain precisely what your organization does in terms of working with groups, what specifically some of your programs are?

Mr. **Nishinaka**. Sure.

By history, and again this agency was created, started its work back in the 1940's, and at that time it was a one-service agency, one single service.

It was service to youngsters who became delinquent and belonged to what we call gang groups.

Today, as I mentioned, we have moved from that. The groups are no longer the delinquent groups. They are minority groups—historically since we work in a minority community.

And that was at that time south central and east central, which means the black community and the Hispanic community. We are still concerned with delinquency prevention.

However, because in a number of years we have become historically working in minority communities, currently we work also in the Asian community.

So our program is sort of one-third Asian, one-third black, one-third Hispanic.

The special service, SSG special service is one developmental service, which means that the staff that we have for community minority groups begin to work on problems that they are concerned with, either in the health field or social service field, those are the two fields we work with some focus. They identify a problem, and they know the problem, because they know they are hurting.

But what they don't know is what to do next. And this is where we try to help them. We try to get them to narrow down, because in many instances, the problem that is hurting them would take millions of dollars to deal with.

And right now, and for some years in the past, you are really usually talking about something in the $100,000 to $200,000 brackets to deal with these problems in terms of funding potentials.

So we gear down to a problem area that becomes more manageable. We then, with the community groups, help them to develop a fundable proposal, which we can submit—we have to locate where, and then submit, and then do whatever is necessary to get that proposal funded. Some people call that grantsmanship, good grantsmanship.

Once it is funded, one difference in our organization might be that we write into the proposal to manage the project or program, so that that is the next service we provide, a management service beyond fiscal management.

We provide the broad spectrum of management service which will be like technical assistance in terms of hiring people, et cetera, et cetera.

And I think this is important, because we have found in our experience that if you do not provide this service after you develop the program, what could happen, and it does happen often—is that people cannot learn managing over the weekend. And consequently, what happens is mismanagement, and the whole project could terminate.

The last part that we do is research services, because of the fact that many of our projects are research projects. So we do developmental work, management work, and research.

The other thread that runs through our operation is that we are community based. So that in each one of the projects there is an establishment agency, but working with a community group which is a nonestablishment entity; we share the responsibility.

Although we take the legal and fiscal responsibility, the program in its future development and how it is run pretty much is in the hands of the community group. That is what SSG or special service group does.

Ms. WRIGHT. Are most of the programs that you work with federally funded or is there a mix between Federal, State, and local funding?

Mr. NISHINAKA. No; it is Federal funds to four departments. It is State funds, city, county funds. In some instances, local funds obviously are funds that come as block grants to the State and down to the local government units, and then we in turn receive them as contracts. And also private funds.

We are a Community Chest-United Way agency. So we also have private funds involved. It is a multifunded agency.

Ms. WRIGHT. What do you see as the future of your organization and the programs you are working with in light of the budget-cutting efforts at the Federal level, proposition 13 at the State level, and other cutbacks at other levels?

Mr. **Nishinaka**. We have already been affected. We are obviously not immune from all the different budget cuts and things that are happening and will happen even more. However—and again, we have not resolved the problem. I wish I could state right now we have.

But at least we have a plan. We have this plan—fortunately for, I think, our particular organization, we were at the end of our 25th year, which takes us a few years back. We obviously had to think of what we were going to do the next 25 years, and that led to our beginning to plan what are we going to do in the 1980's?

I would say there are many things. One new development for us—and it is only for us, is how perhaps we have conceptualized our own model. I think it is important because of the economic situation; we have to move to what is commonly called economic development.

In other words, in some way, we have an agency, the agency that I direct. There are a number of projects and programs, 16 in number, doing everything from testing for pregnancy to research studies on Asian elderly. Minority is the other thing that threads through.

However, other than our operational entity, which is to do, and I quote here, "missionary operation," because the very community that we serve cannot pay for those services themselves. So that over here, we have to develop a new entity which is economic development, which means, in our case, we have to develop some entities that will join the for-profit venture area.

And this is not going to be an easy thing. But again, as I say, it is nothing new. And let me just cite you a few examples, just in case I don't get this point across.

I notice right in the Japanese community many years ago and even today, the Japanese Language Institute will buy a piece of land and build in front a bunch of store fronts. So they will have grocery stores, and barbershops, and whatever. And in the back is the school they run.

So the profit from the rental—the facilities up in the front, really subsidized a nonprofit language institute or school in the back.

I think a lot of these—the Elks, these lodges that you see around, I notice many of them in the past used to have buildings right on the corner, and right on the corner would be the bank, and then the barbershops, other kinds of stores. But upstairs is the clubhouse.

I think that is a nonprofit entity, but they get the rent off the first floor to support their program on the second floor.

You carry that even further and you have, I think, universities, and I think the University of Washington would be a good example, a nonprofit institution, but they own a good part of Seattle. I am sure the profits from that help support the school.

I think you have good old Howard Hughes, who sometime way back made it possible for the Hughes Tool Co. to be owned by Research Institute in Florida, and they are supported by those funds.

So it is an idea of making—it is really earning money in the private sector, but turning those profits around and connecting them with the nonprofit end that has to do missionary work to provide health and social services. If you can follow that model I just described.

I am saying everybody can do this. But again, our particular organization, the name "special" is very appropriate, more than ever today, in that by "special," we mean we have to do the thing that is special if it is to pioneer in this area. We have to pioneer and try to see if we can meet the current challenge of cutbacks and the direction that, if you want to call it, the country is moving in.

Not that we agree with it. But it is a fact that is happening. We have to first of all survive. But I say survival is not adequate or good enough. You have to survive, but you also have to grow and continue to grow.

And only if you have survival and growth will you be successful.

Ms. WRIGHT. Thank you. That's all my questions.

Mr. DYMALLY. Mr. Frazer?

Mr. FRAZER. Mr. Nishinaka, you quoted the Kerner report and you said racism was the basis of the problems of America. By "racism," did you mean racism among the various ethnic groups versus the majority of the population, or the majority of the population, basically whites, against ethnic groups as a block?

Mr. NISHINAKA. Actually institutional racism that has built up over many, many years. It has become institutionalized. Sometimes very—what is the word—perhaps there was design in it, I don't know. I tend to believe maybe there was no design. But regardless, because of the fact that the in and out were not together, little by little, things begin to build, and you have then an institutionalized racism operating.

You still don't understand. I will give you an example, perhaps, one I am familiar with.

Interestingly, in the Federal Government, you submit proposals for funding. But from way, way back, for instance, like research proposals, and you found this in many instances, you have what they call peer review.

Now, the peer review, because it has been going on for a long time, you can imagine the kind of composition of that peer review group.

It does not have any minority representation, ethnic minority. It is nonminority ethnic representation on the peer panel. Then technical things come up like, well, we cannot fund research proposals if they don't have what you call a track record.

And yet, the new immigrant group, or the minority in great measure, do not have that track record, they just arrived on the scene. It doesn't mean they don't have the research knowledge or the contribution to make. But those proposals going into those committees, it is not too surprising that hardly any proposal submitted by minorities ever get funded.

And that was going on for years and years and years until really very recently. There has been a lot of surfacing of this issue that I speak of, challenging the people who pull these committees together—their understanding and actually acceptance or concurrence of this phenomenon that occurs.

You begin to see this committee with minority representatives. And for the first time, you are beginning to get ethnic minority proposals getting funded and so forth.

So when you say how does racism operate, or how does institutionalized racism operate, it is a phenomenon.

I wish I could tell you it started from Mr. Joe Dokes. But it doesn't go that way. It operates because of the fact that the nonminority, perhaps even by number, but by definition—I am using the word "minority" actually—it is the people with the short end of the deal, they are discriminated against, et cetera, et cetera.

Those are the minority I am speaking about. But in number, overall minority, and also they have not been the first ones here and consequently, whoever laid down those rules and how it works, it gets institutionalized in favor of the nonethnic minorities.

Can you now understand what I was trying to say?

Mr. **Frazer**. Yes, sir.

Mr. **Dymally**. Thank you very much, Mr. Nishinaka.

Our next witness is Mr. William Robertson, executive secretary of the Los Angeles County Federation of Labor.

Bill, would you identify yourself for the record? We will enter your written statement into the record. You can summarize your statement.

## STATEMENT OF WILLIAM ROBERTSON, EXECUTIVE SECRETARY-TREASURER, LOS ANGELES COUNTY FEDERATION OF LABOR, LOS ANGELES, CALIF.

Mr. **Robertson**. My name is Bill Robertson. I am the executive secretary-treasurer, Los Angeles County Federation of Labor, AFL-CIO: I am pleased to be here this morning.

The AFL-CIO has long advocated revitalizing the urban centers. If I may, Congressman, I would like to read my statement.

There is little doubt that the urban areas of our Nation are facing serious—almost insurmountable—problems. These problems are rapidly worsening and, from our standpoint in the AFL-CIO, they will not be solved by the Reagan administration which seems to be committed to a program of further aggravating the difficulty by gutting programs which are important to the cities.

In fact, it is our belief that programs provided for the poor and for working people, closely linked to the cities and local government in general, have been destroyed in recent budget cuts so the Reagan administration can spend what it wants on defense.

We are not opposed to defense spending, but not at the expense of the people of this Nation.

We believe there are three major areas in which the Federal Government can concentrate to relieve many of the urban problems that our cities must face. We must be committed to housing, transportation, and jobs.

These areas are the three-legged stool on which Government can build a significant program to save our urban areas. If the Government doesn't, I believe that we will face insurmountable problems of poverty and blight and it may be possible, once again, that we will see the urban violence that plagued the sixties.

America needs economic policies that deal effectively and equitably with the causes of inflation and the weaknesses that prolong unemployment. Such policies may base any sharing of austerity in the fight against inflation on the ability to sacrifice, and not demand even more sacrifice from those who know only austerity.

They also must include adequate resources to provide needed investment in specific industrial and geographical sectors within an overall employment program.

Based on these key principles, the AFL–CIO supports economic policies that reduce interest rates, reduce unemployment and use an effective combination of targeted taxing and expenditure programs to reverse the damage caused by inflation and unemployment.

These are the major troublemakers in an urban environment—inflation and unemployment—and the Federal Government cannot turn its back on these problems.

In the area of housing, it is important for Government to be involved in expanding the supply of low- and middle-income housing to alleviate the housing shortage that is driving up prices and rents.

We must reduce mortgage interest rates that provide below-market interest rate mortgages for low- and middle-income buyers.

We must encourage home mortgage financing by union pension funds invested in long-term, fixed-payment mortgages guaranteed by the Government.

We must discourage the conversion of rental housing structures to condominiums in tight housing markets.

This should be the major thrust of Government, to make sure that housing is made available to those in the low- and middle-income brackets and to insure that they get that housing with a fair interest rate, giving them the immediate ability to pay for adequate shelter.

In the areas of transportation, we face serious problems in Los Angeles because there will come a time that we will not be able to deal with the high cost of gasoline.

It is uneconomical for a working man or woman to operate a motor vehicle here at this time and, if gasoline should go to $2 or $3 a gallon, it will be almost impossible to use a car.

What we should have been doing for years is developing an adequate transportation system, probably of the fixed-rail variety. During the Carter administration, there was a commitment to developing this kind of system and the start was going to be the downtown people mover.

This project, since the advent of the Reagan administration, has been scrapped. This is of major significance to us because the downtown people mover was going to be the cornerstone of a mass transportation system in this city, starting with a rail line out the Wilshire corridor through Hollywood to the San Fernando Valley.

These programs are no longer viable because of the restraint on the Federal budget. Los Angeles is now caught in the trap of relying on the automobile almost exclusively for its transportation needs. This is not an enviable position for any city in this country.

Once again, it is the Government's job to insure that we have the ability to construct adequate transportation systems. The ability to move around often determines one's ability to get a job. Hundreds don't have adequate transportation and this means—at least for

Los Angeles—the creation of a transportation system that is not in existence now.

Reducing unemployment and rebuilding the economy are probably the two prime goals that should be set by Government to avoid the urban problems that we have been talking about. Business, labor and the Government should participate in a reindustrialization board as a first step to bring about this reindustrialization process.

Under this reindustrialization board, a reconstruction finance corporation would invest public and private funds in necessary reindustrialization projects.

The allowances, investment tax credits, or other business tax changes targeted to where they are most urgently needed.

The RFC should be alloted an additional $5 billion to encourage new industries that have difficulty obtaining necessary financing; and assist older industries with special capital needs for modernization, expansion and restoration of their competitive position.

Once again, transportation is important for the job picture. The Nation's transportation network needs to be upgraded for people and goods to move more efficiently.

Railroads, highways, port facilities, and airports are in desperate need of rehabilitation.

Urban mass transit systems need to be extended and modernized as stated before.

The urban infrastructure of sewers, water systems, streets and bridges needs to be renewed. Public investment of this nature would greatly improve economic efficiency and potential output of goods and services.

There should be a thorough review and analysis of existing investment tax incentives in the light of reindustrialization goals. The capital gains exclusion, rapid depreciation, oil depletion allowances, and investment tax credits have all been enacted as tax incentives to investment.

Tens of billions of Federal dollars are lost through these provisions, and it is time to restudy their value to the economy.

The unemployed men and women who cannot find jobs in the private sector should be put to work on the various public service and public works projects that expand the services and facilities needed for a healthy economy.

The skills and abilities of the unemployed must be put to productive purposes and not go wasted. These programs can be targeted to increase supply and economic efficiencies in key areas which creates the dual goal of decreasing unemployment while helping the blighted cities.

There should be expanded training programs for adult workers and youth in the urban areas. These training programs should provide new job skills and lead to advanced employment opportunities.

We believe, however, given the nature of the Reagan administration, that the suggestions that we have made today have a good chance of falling on deaf ears.

These are solutions to the urban dilemma but they are not being heard in Washington. Instead, we have seen an unprecedented budget slashing which will cost the country more than 1 million jobs.

We are confronted with an unequal tax cut which will surely be inflationary.

The President's program, at best, is a high risk gamble with the future of America and America's cities. Workers and the poor, the major population of urban areas, are asked to take the lion's share of the risk.

The only sure winners, under Reagan's concept, are the wealthy, whether they are individuals or corporations.

It is a gamble that has not paid off in the past and one the Nation cannot afford to take. We in the labor movement have joined with other concerned citizens to advance an economic program that will meet the Nation's needs fairly and equitably and with true equality of sacrifice.

Thank you.

[The prepared statement of William R. Robertson follows:]

## Prepared Statement of William R. Robertson

There is little doubt that the urban areas of our nation are facing serious—almost insurmountable—problems. These problems are rapidly worsening and, from our standpoint in the AFL-CIO, they will not be solved by the Reagan Administration which seems to be committed to a program of further aggrevating the difficulty by gutting programs which are important to the cities. In fact, it is our belief that programs provided for the poor and for working people, closely linked to the cities and local government in general, have been destroyed in recent budget cuts so the Reagan Administration can spend what it wants on defense. We are not opposed to defense spending but not at the expense of the people of this nation.

We believe there are three major areas in which the Federal government can concentrate to relieve many of the urban problems that our cities must face. We must be committed to housing, transportation and jobs. These areas are the three-legged stool on which government can build a significant program to save our urban areas. If the government doesn't, I believe that we will face insurmountable problems of poverty and blight and it may be possible, once again, that we will see the urban violence that plagued the 1960s.

America needs economic policies that deal effectively and equitably with the causes of inflation and the weaknesses that prolong unemployment. Such policies may base any sharing of austerity in the fight against inflation on the ability to sacrifice, and not demand even more sacrifice from those who know only austerity. They also must include adequate resources to provide needed investment in specific industrial and geographical sectors within an overall employment program.

Based on these key principles, the AFL-CIO supports economic policies that reduce interest rates, reduce unemployment and use an effective combination of targeted taxing and expenditure programs to reverse the damage caused by inflation and unemployment. These are the major troublemakers in an urban environment—inflation and unemployment—and the Federal government cannot turn its back on these problems.

In the area of housing, it is important for government to be involved in expanding the supply of low- and middle-income housing to alleviate the housing shortage that is driving up prices and rents.

We must reduce mortgage interest rates that provide below-market interest rate mortgages for low- and middle-income buyers.

We must encourage home mortgage financing by union pension funds invested in long-term, fixed-payment mortgages guaranteed by the government.

We must discourage the conversion of rental housing structures to condominiums in tight housing markets.

This should be the major thrust of government, to make sure that housing is made available to those in the low- and middle-income brackets and to insure that they get that housing with a fair interest rate, giving them the immediate ability to pay for adequate shelter.

In the areas of transportation, we face serious problems in Los Angeles because there will come a time that we will not be able to deal with the high cost of gasoline. It is uneconomical for a working man or woman to operate a motor vehicle here at this time and, if gasoline should go to $2 or $3 a gallon, it will be almost impossible to use a car. What we should have been doing for years is developing an adequate transportation system probably of the fixed-rail variety. During the Carter Administration, there was a commitment to developing this kind of system and the start was going to be the Downtown People Mover. This project, since the advent of the Reagan Administration, has been scrapped. This is of major significance to us because the Downtown People Mover was going to be the cornerstone of a mass transportation system in this city, starting with a rail line out the Wilshire corridor through Hollywood to the San Fernando Valley. These programs are no longer viable because of the restraint on the Federal budget. Los Angeles is now caught in the trap of relying on the automobile almost exclusively for its transportation needs. This is not an enviable position for any city in this country.

Once again, it is the government's job to insure that we have the ability to construct adequate transportation systems. The ability to move around often determines one's ability to get a job. Hundreds of thousands of people in this community will be trapped if they don't have adequate transportation and this means—at least for Los Angeles—the creation of a transportation system that is not in existence now.

Reducing unemployment and rebuilding the economy are probably the two prime goals that should be set by government to avoid the urban problems that we have been talking about. Business, labor and the government should participate in a Reindustrialization Board as a first step to bring about this reindustrialization process. Under this Reindustrialization Board, a Reconstruction Finance Corporation would invest public and private funds in necessary reindustrialization projects. The RFC should have the authority to allocate $5 billion in depreciation allowances, investment tax credits, or other business tax changes targeted to where they are most urgently needed.

The RFC should be allotted an additional $5 billion to encourage new industries that have difficulty obtaining necessary financing; and assist older industries with special capital needs for modernization, expansion and restoration of their competitive position.

Once again, transportation is important for the job picture. The nation's transportation network needs to be upgraded for people and goods to move more efficiently. Railroads, highways, port facilities and airports are in desperate need of rehabilitation. Urban mass transit systems need to be extended and modernized as stated before.

The urban infrastructure of sewers, water systems, streets and bridges needs to be renewed. Public investment of this nature would greatly improve economic efficiency and potential output of goods and services.

There should be a thorough review and analysis of existing investment tax incentives in the light of reindustrialization goals. The capital gains exclusion, rapid depreciation, oil depletion allowances, and investment tax credits have all been enacted as tax incentives to investment. Tens of billions of federal dollars are lost through these provisions, and it is time to restudy their value to the economy.

The unemployed men and women who cannot find jobs in the private sector should be put to work on the various public service and public works projects that expand the services and facilities needed for a healthy economy. The skills and abilities of the unemployed must be put to productive purposes and not go wasted. These programs can be targeted to increase supply and economic efficiencies in key areas which creates the dual goal of decreasing unemployment while helping the blighted cities.

There should be expanded training programs for adult workers and youth in the urban areas. These training programs should provide new job skills and lead to advanced employment opportunities.

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The President's program, at best, is a high-risk gamble with the future of America and America's cities. Workers and the poor, the major population of urban areas, are asked to take the lion's share of the risk. The only sure winners, under Reagan's concept, are the wealthy, whether they are individuals or corporations.

It is a gamble that has not paid off in the past and one the nation cannot afford to take. We in the labor movement have joined with the other concerned citizens to advance an economic program that will meet the nation's needs fairly and equitably and with true equality of sacrifice.

Mr. Dymally. Thank you very much, Bill. I will now call on the minority counsel for some questions.

Ms. Wright. Thank you.

You have listed a number of general goals, general programs which you feel need to be addressed; problems which need to be addressed, and solutions.

In your view, are all of these solutions the kinds of things that need to be addressed through Federal funding? Are some of them the type of program that could be undertaken by a partnership between the Federal Government and private sector, or totally within the private sector?

How would you see the resources coming forth that are necessary to implement some of these solutions?

Mr. Robertson. First of all, I would like to make clear the issues I talked about is only part of the problem. We have many other concerns. Education—and just a lot of other things.

However, in trying to address your question, I personally have had dismal experiences in dealing with business and industry, in trying to coordinate programs which will do the things that you are advocating.

I would hope—and I just came from a meeting of a public group put together supposedly with the help of business, industry, government, and labor, to do something about the drastic cuts in the CETA programs.

Now, for the past couple of years, we in the labor movement have participated with the chamber of commerce groups in trying to do just this type of thing, to create jobs in the private sector.

But it hasn't worked. I am not putting all the criticism on the private groups.

So in answer to your question, I think we desperately need Federal funding to start these programs off. It seems just tragic to me that the CETA programs, for example, which were designed to take people off of welfare and off the streets and get them into productive jobs, where people could work with dignity and hopefully develop skills where they could get out in the job market.

And what we saw happen with the reductions—in New York City alone, 11,000 people who were terminated from CETA programs in New York City, alarmingly, 8,000 of those people came off the welfare rolls.

I know I am taking a long time in answering your question. I see the answer, though, in Federal funding to really get focused in at the heart of the problem.

Ms. Wright. Do you feel that the funding that you are recommending would be more effective in the form of direct Federal subsidies, Federal funds directly into the communities, or can it be accomplished by things such as tax incentives, investment tax credits and that type of thing?

Mr. Robertson. Well, we in the labor movement have to take a good look at those tax investments. We want it to be beneficial to the community, and not just to industry and corporations.

Certainly anything that is helpful in creating jobs, in creating skills, we are for.

But we would have to give real scrutiny to the type of tax investments that one may be talking about.

I think my observation is that direct Federal funding is the quickest way to expedite what has to be done.

Ms. WRIGHT. Earlier this morning, we were discussing the proposed concept of urban enterprise zones, which is a concept that has been put forward in some legislation that is being considered by Congress this session.

That would involve the use of tax incentives and some other Federal programs to encourage targeted investment in inner city areas.

One of the components of this program is a wage subsidy for hiring of particular types of employees. Could you comment on how effective you think that portion of the program would be in terms of reducing unemployment, and also whether you feel it would be effective in encouraging the hiring of lower skilled workers, rather than the more technically trained?

Mr. ROBERTSON. Well, I don't know precisely the type of programs you are talking about. But, for example, I look upon this area here as needing a lot of help. I happen to be a commissioner in the museum of science and industry here. We recognize much has to be done in this adjacent area.

If you are talking, if you are suggesting that minority contractors, for example, in an area, a comparable area such as this, could have subsidies to train people, wage subsidies to bring those people out so they can acquire certain skills, I would certainly be a strong advocate of that type of program.

We don't support programs which will go to well-established contractors who have the process to go through on retraining programs.

But if we are focusing in on the poorer sections in the urban areas, where we can help people to get into businesses, contractors, or whatever, or businesses, yes, we would support that concept.

Ms. WRIGHT. Under the urban enterprise zone concept, most likely the wage subsidies would go to larger businesses which would establish a factory or a manufacturing plant of some kind in an inner city area. These may very well be larger, more established businesses, rather than the small minority-owned businesses or the businesses which have been less successful.

As I understand the legislation, there would be requirements that a certain number of the employees be CETA-eligible employees or residents of the area.

Would you support wage subsidies to larger businesses with that kind of proviso that the wage subsidies be used to hire previously unemployable or unemployed workers?

Mr. ROBERTSON. Well, that sounds very attractive. It would be presumptuous on my part to give an endorsement to that type of program.

I am not ruling it out. But we would certainly want to take a look at it. We are in favor of just about anything that will help retrain in some cases, but train people, and have them acquire skills, so they can go out and get a permanent job.

Certainly we are in favor of that type of program. But we would have to look at the program first.

Ms. WRIGHT. Thank you. That's all my questions.

Mr. DYMALLY. Mr. Frazer?

Mr. **Frazer**. No questions, Congressman. I think my questions have been answered.

Mr. **Dymally**. Thank you very much. Bill, thank you so much for coming. Thanks for your testimony.

The next witness is Mr. Ron Nelson, acting city manager, city of Compton, my home city.

Ron, we are going to enter your statement in the record in its entirety. You may summarize it if you so care.

## STATEMENT OF RON NELSON, ACTING CITY MANAGER, CITY OF COMPTON, LOS ANGELES, CALIF.

Mr. **Nelson**. Mr. Chairman, and distinguished members, I am the acting city manager for the city of Compton. I was just recently appointed to that position.

On behalf of the mayor, city council, and citizens of the city of Compton, I would like to share with this committee some of the major urban socioeconomic problems the city of Compton faces in these difficult times.

It is my intent today to identify these problems to inform you of what may very well be the challenges facing the future of Washington, D.C., and other major urban centers around the country.

But, without apology, you will find that my presentation today leans heavily toward the concern with fiscal affairs as they relate to local government and the impact State and Federal budget cuts will have on the Nation's cities.

As a city administrator, I see this as the major challenge facing many urban areas. It is undoubtedly also a challenge that will face Washington, D.C., as well.

The city of Compton is an incorporated charter city with a council-city manager form of government. It is located approximately 12 miles southwest of the central business district of the city of Los Angeles and occupies a central position in southeastern Los Angeles County.

The city encompasses 10.5 square miles and has an approximate population of 80,000 residents.

But like other urban areas, Compton has undergone a tremendous number of socioeconomic changes, all of which makes the fiscal cuts on the State and Federal levels so critical to the future growth and development of our city in the difficult years ahead.

Up until the early fifties, Compton was predominantly a middle-income, white community. According to the 1950 census, Compton had a population of 46,991, with a median age of 28.2 years.

During the fifties, blacks gradually began moving into the city. These first residents were predominately homeowning families. By 1960, the city's overall population had risen and the median age had dropped from 28.2 to 24.8 years.

It was not until 1965, however, that the largest influx of black residents and subsequent white flight occurred.

By 1970, the population was 78,611, the nonwhite percentage of the population was 71.6 percent, and the median age had dropped to 20.1 years.

When the Mexican-American percentage of the population, 13.6 percent, was added to the nonwhite percentage, Compton had a minority population of some 87.2 percent.

Therefore, it is evident that over a 20-year period, a dramatic change has taken place in the community of Compton.

The subsequent problems which have developed in the city are not merely the result of the high influx of minority residents, but of a complicated combination of economic and social factors associated with white residential and business flight—discriminatory housing and real estate practices—a decline in employment opportunities—and the difficulties minorities have traditionally faced with the job market.

These problems are, of course, not unique to the community of Compton—but are problems shared by many of this Nation's urban areas, including the Washington, D.C., community.

Therefore, any cuts in financial assistance from the Federal or the State Governments will be extremely disadvantageous to urban communities whose problems are rapidly worsening.

What direct impact will State and Federal budget cuts have on the city of Compton?

Numerous announcements have been made which suggest that fiscal year 1981-82 will be the year in which California's proposition 13 will substantially impact local governments. For most California cities, this is a preeminent forecast. For the city of Compton, it is a reality.

Within the recent past—fiscal year 1981-82 will be the first year in which our city's general revenues will actually be less than that the previous year. This is primarily caused by reductions in major revenue sources, namely: sales and use taxes; subventions from the States; and the lack of surplus from prior years.

Sales taxes are projected to equal last year's revenue. General economic conditions in this area have not expanded this major source which normally increases 10 to 12 percent a year. Adjusted for inflation, the same revenue results in a net reduction to the city.

Cuts in the State budget have resulted in a substantial reduction in bailout funds. This is incorporated in our revenue projections and means a loss of over $680,000 for the city of Compton.

A cap on the growth of the business inventory subvention has limited that item from a growth of approximately 16 to 18 percent to 4.5 percent.

Last year, we budgeted a projected surplus of $900,000 in the general fund. For fiscal year 1980-81, there are no projected surpluses of revenues from operations to support 1981-82 operations.

Compounding reduced revenues—are the expanding cost of providing local services. General price levels are increasing 12 to 14 percent per year and the divergence of revenue and costs are creating a gap.

We have attempted to close this gap with some drastic proposals that will severely affect the delivery of services.

Layoffs have been minimized as much as possible. Our method has been to eliminate practically all vacant positions and to only allow new positions in clearly needed and justified circumstances.

The implications of this budget are drastic and cannot be minimized. Given the current Federal and State budget cuts, we can no longer expect and anticipate increased and expanded services.

Varying or expanded services can only be obtained through tradeoffs. Responses to service calls such as tree trimming or concrete repairs or weed abatements or certain public police services or housing services will be reduced and delayed.

In light of the cuts, the city projects the following fiscal challenges: Inflation will continue to impair the city's ability to provide the kinds of service that our community has enjoyed in the past.

If budget cut trends continue, we can no longer look to the Federal Government nor State Government to bail us out in the interim.

The possibility that revenue sharing and other expected government assistance will be eliminated or reduced is a reality.

The infrastructure of our city is in very poor condition. Roads need repairing and rebuilding. Sewer lines are old and worn out. Our water system needs major overhauling and we have done little to actively prepare our public buildings for major disasters like earthquakes.

Gas tax money and other sources of revenue are drying up. There is much work left at the end of the money, and it just may be necessary to seriously consider new sources of taxation or to go to the people for their assistance.

On a more positive note, those of us in Compton government who are optimistic see fiscal year 1981-82 as a year mixed with promise and potential.

Development interest in Compton is very high. This interest is broadly based in residential, commercial, and industrial sectors. This interest in development reflects growing optimism about Compton's future.

Crime reduction has been one of the bright experiences in the recent past. Compton is one of the few cities that continue to show effective crime reduction in part I—major—crimes.

Our war on crime has been very successful. Community involvement has been a major contributor to our city's crime reduction. Block clubs, business groups, and other social agencies have taken responsibility to fight crime in our community.

A "Walk Against Crime" was one of the high points in crime-fighting in fiscal 1980-81.

But in summary, the difficulties of forging the city's 1981-82 budget were enormous. Our marginal revenue makes decisions effecting services difficult. There are tremendous needs which can be substantiated by every department, yet, increases in any particular services can be obtained through a similar reduction, elsewhere.

The uncertainty of future State and Federal legislation as it relates to local government finance has made it increasingly difficult to predict the city's financial condition from year to year.

It is virtually impossible to make any long-range financial projections. The next few years will be critical in determining the long-term financial strength of the city and will have to be tackled 1 year at a time—until some stability in local government finance will be achieved.

There is, however—a major way in which the Federal Government can assist local governments in the difficult challenges ahead. That is, any further cuts in financial assistance from the Federal or the State governments will be disastrous to urban communities—mainly because city problems are well beyond the capacity of local resources.

The city of Compton is making significant gains in development of its community by bringing in commercial and industrial interest to our city and providing jobs and stimulating the economy.

But with further cuts in aid the city may suffer perhaps an irreversible setback that we may not be able to recover from.

Therefore, I urge this committee to oppose further cuts in aid to the cities and work to establish a full committee on Capitol Hill to work toward establishing crucial urban policies that will assist cities in these difficult times.

Whether the city is Compton, Calif., or Washington, D.C., we share common urban problems that demand immediate action on the State and Federal levels of government.

Mr. Chairman, I thank you for the opportunity to speak with you regarding these important urban concerns. I hope this information will be beneficial to you in understanding the problems of the Nation's urban communities and in preparing for the future of Washington, D.C.

Mr. Dymally. Thank you very much. How did you balance the budget this year?

Mr. Nelson. Very difficult. We had to cut back on services. Services that were very important to the city. And we had to actually move some people from the city's labor market. The city of Compton is unique in some situations.

We have found that we have had to depend on fewer people to do more jobs. We have also found that due to the change in our community, the size of city government has grown considerably.

We find that cities of our same size employ possibly half in some cases the number of people we employ.

This has been necessary because of this change. So to answer your question, we have had to cut some services and curtail others.

Mr. Dymally. While you are experiencing a drop in revenue, I am pleased to note a physical resurgence of new buildings in the city. Would you explain that interesting phenomenon?

Mr. Nelson. The thing that has happened in the city is that we have found that cities around us, land costs, land values, have increased enormously. The land values, the costs in Compton have remained, or have not increased at the same rate as other cities.

For that reason, the city of Compton has become attractive to industrialize, people who want to move to areas to develop industry of one kind or another.

And that, of course, has led to or is leading to revitalization in the city.

Mr. Dymally. What is the progress of your shopping center?

Mr. Nelson. By hopefully the next council meeting, we will have a DDA concept to be presented to the city council. We are progressing at what I would call a fast rate.

Mr. Dymally. Ms. Wright?

Ms. Wright. Thank you.

Some studies have shown that it is a characteristic of cities at a certain stage in their development that the composition of the business in that city changes from being primarily industrial based to becoming more dependent on the service sector of the economy, and this results in a decrease in the property tax base and other effects on the city.

Has this happened in your city?

Mr. Nelson. I think the opposite has occurred. Compton has not traditionally been an industrial type of city. It has been more of a home community. With the change of population, and the economic problems that went along with it, we found and are finding the need for industry.

If we can establish a tax base through industry, then, of course, we can do other things as far as the city is concerned. It is no longer, as I see it, strictly a fully residential community. It is more of a combination of residential and industry.

Ms. Wright. And the industrial component is increasing?

Mr. Nelson. Yes.

Ms. Wright. Talking about the services of the city, cost of providing them and so forth, some cities, I understand, have found it economical to contract out some of the basic city services, police services and fire services, rather than providing them by city payroll workers.

Could you comment on this as a possibility for reducing cost to the city?

Mr. Nelson. I can speak on my experience with that, and what I have seen occur in other cities, particularly as it pertains to policing and some of the other critical items.

Initially, it looks good to the taxpayer and to the tax base. But as time progresses, this is no longer—it has proven to be no longer an economical way to go. You are really not saving the bucks doing that.

You also give up a lot of services that are important to communities. Any community likes to maintain its own identity and likes to maintain its own services. By giving the services up, they lose a lot of the face-to-face kinds of contacts they enjoyed with the communities down through the years.

It just hasn't proved to be an economical or a socially acceptable way to go.

Ms. Wright. Thank you. I have no further questions.

Mr. Dymally. Mr. Frazer?

Mr. Frazer. One question. Mr. Nelson, you said the city has been encouraging some industrialization. Would you tell us what safeguards, if any, you have taken to make sure that the companies that will be coming in will make it possible for all segments of the population to participate in the businesses?

Mr. Nelson. OK. We have a number of—let me back up a little bit.

When CETA was first cut and we lost the IPSE programs, that meant we had to lay off a number of people. We relied on the President's message to the private sector to pick up the slack for us.

The first thing that we did was immediately identify the major employing agency in the whole Compton area—not just within the city, but in the Compton area itself—in an effort to find employment for the people who had been separated from employment.

The thing that we found, first of all, the reaction from private industry, from the private sector, was not encouraging. We got very little in the way of encouragement from them.

At that time, we were taking a process or a means to attract industries into the city. Built into that, we talked in terms of training our own young people to provide the kinds of services to be trained in those areas that would be offered, employment opportunities that would be offered by these agencies.

In doing that, we are in the process of forming a committee of employers, possible employers, who will have something to say about the training, the areas of training, as far as our youth are concerned.

The training will be conducted by LA area institutions or agencies. The object of it all will be to identify Compton youth who will be getting this training, and also to pigeonhole—identify for industry those youth who actually reside in the community.

In other words, we want to find jobs or fewer people, and we want to train them to do those kinds of jobs.

Mr. **Frazer**. Thank you.

Mr. **Dymally**. You stated in your closing statement here that you hope that this committee or some committee looks at the problem of the urban cities.

It is the hope that when the District of Columbia ceases to be a colony, that this committee would be the predecessor to a new committee on the urban cities. So this is what we are doing, going across the country, looking at problems of the cities.

Thank you very much for coming.

Mr. **Nelson**. Thank you.

[The prepared statement of Ronald D. Nelson follows:]

### PREPARED STATEMENT OF RONALD D. NELSON, ACTING CITY MANAGER, CITY OF COMPTON, CALIF.

Mr. Chairman, distinguished committee members, I am Ronald D. Nelson, acting city manager/administrator for the city of Compton, California. On behalf of the mayor, city council and citizens of the city of Compton, I would like to share with this committee some of the major urban socio-economic problems the city of compton faces in these difficult times.

It is my intent today to identify these problems to inform you of what may very well be the challenges facing the future of Washington, D.C. and other major urban centers around the country.

But, without apology you will find that my presentation today leans heavily toward the concern with fiscal affairs as they relate to local government and the impact State and Federal budget cuts will have on the Nation's cities.

As a city administrator, I see this as the major challenge facing many urban areas. It is undoubtedly also a challenge that will face Washington, D.C. as well.

The city of Compton is an incorporated charter city with a council-city manager form of government. It is located approximately 12 miles southwest of the central business district of the city of Los Angeles and occupies a central position in southeastern Los Angeles County. The city encompasses 10.5 square miles and has an approximate population of 80,000 residents.

But like other urban areas, Compton has undergone a tremendous number of socio-economic changes, all of which makes the fiscal cuts on the State and Federal levels so critical to the future growth and development of our city in the difficult years ahead.

Up until the early 1950's, Compton has predominately a low to middle income white community. According to the 1950 census, Compton had a population of 46,991 with a non-white (excluding Mexican-Americans) population of 4.8 percent and a median age of 28.2 years. During the 1950's, blacks gradually began moving into the city. These first black residents were predominately stable, homeowning families. By 1960, the city's overall population had risen and the median age had dropped from 28.2 to 24.8 years.

It was not until 1965, however, that the largest influx of black residents and subsequent white flight occurred, by 1970, the population was 78,611, the non-white percentage of the population was 71.6 percent, and the median age had dropped to 20.1 years. When the Mexican-American percentage of the population, 13.6 percent, was added to the non-white percentage, Compton had a minority population of some 87.2 percent, therefore, it is evident that over a twenty year period, a dramatic change has taken place in the community of Compton.

The subsequent problems which have developed in the city are not merely the result of the high influx of minority residents, but of a complicated combination of economic and social factors associated with white residential and business flight—discriminatory housing and real estate practices—a decline in employment opportunities—and the difficulties minorities have traditionally faced with the job market.

These problems are, of course, not unique to the community of Compton—but are problems shared by many of this Nation's urban areas, including the Washington, D.C. community. Therefore, any cuts in financial assistance from the Federal or the State Governments will be extremely disadvantageous to urban communities whose problems are rapidly worsening.

What direct impact will State and Federal budget cuts have on the city of Compton? . . .

Numerous announcements have been made which suggest that fiscal year 1981-82 will be the year in which California's proposition 13 will substantially impact local governments. For most California cities, this is a pre-eminent forecast. For the city of Compton, it is a reality.

Within the recent past, fiscal year 1981-82 will be the first year in which our city's general revenues will actually be less than the previous year. This is primarily caused by reductions in major revenue sources, namely: (1) Sales and use taxes; (2) subventions from the State; and (3) the lack of surplus from prior years.

Sales taxes are projected to equal last year's revenue. General economic conditions in this area have not expanded this major source—which normally increases 10 to 12 percent a year. Adjusted for inflation—the same revenue results in a net reduction to the city.

Cuts in the State budget have resulted in a substantial reduction in "bailout" funds. This is incorporated in our revenue projections and means a loss of over $680,000 for the city of Compton. A cap on the growth of the business inventory subvention has limited that item from a growth of approximately 16-18 to 4.5 percent.

Last year, we budgeted a projected surplus of $900,000 in the general fund. For fiscal year 1980-81, there are no projected surpluses of revenues from operations to support 1981-82 operations.

Compounding reduced revenues are the expanding cost of providing local services. General price levels are increasing 12 to 14 percent per year and the divergence of revenue and costs are creating a gap. We have attempted to close this gap with some drastic proposals that will severely affect the delivery of services. Lay-offs have been minimized as much as possible. Our method has been to eliminate practically all vacant positions and to only allow new positions in clearly needed and justified circumstances.

The implications of this budget are drastic and cannot be minimized . . . given the current Federal and State budget cuts, we can no longer expect and anticipate increased and expanded services. Varying or expanded services can only be obtained through trade-offs. Responses to service calls such as tree trimming or concrete repairs or weed abatements or certain police services or housing services will be reduced and delayed.

In light of the cuts, the city projects the following fiscal challenges . . . inflation will continue to impair the city's ability to provide the kinds of service that our community has enjoyed in the past.

If budget cut trends continue, we can no longer look to the Federal Government nor State government to "bail us out" in the interim. The possibility that revenue sharing and other expected Government assistance will be eliminated or reduced is a reality.

The infrastructure of our city is in very poor condition. Roads need repairing and rebuilding. Sewer lines are old and worn out. Our water system needs major overhauling and we have done little to actively prepare our public buildings for major disasters like earthquakes.

Gas tax money and other sources of revenue are drying up. There is much work left at the end of the money, and

It just may be necessary to seriously consider new sources of taxation or to go to the people for their assistance.

On a more positive note . . . those of us in Compton government who are optimistic see fiscal year 1981-82 as a year mixed with promise and potential.

Development interest in Compton is very high. This interest is broadly based in residential, commercial and industrial sectors. This interest in development reflects growing optimism about Compton's future.

Crime reduction has been one of the bright experiences in the recent past. Compton is one of the few cities that continue to show effective crime reduction in part I (Major) crimes. Our war on crime has been very successful. Community involvement has been a major contributor to our city's crime reduction. Block clubs, business groups and other social agencies have taken responsibility to fight crime in our community. A walk against crime was one of the high points in crime fighting in fiscal year 1980-81.

But in summary . . . the difficulties of forging the city's 1981-82 budget were enormous. Our marginal revenue makes decisions effecting services difficult. There are tremendous needs which can be substantiated by every department: Yet, increases in any particular services can ony be obtained through a similiar reduction, elsewhere.

The uncertainty of future State and Federal legislation as it related to local government finance has made it increasingly difficult to predict the city's financial condition from year to year. It is virtually impossible to make any long range financial projections. The next few years will be critical in determining the long-term financial strength of the city and will have to be tackled 1 year at a time—until some stability in local government finance will be achieved.

There is however—a major way in which the federal government can assist local governments in the difficult challenges ahead. That is . . .

Any further cuts in financial assistance from the Federal or the State Governments will be disastrous to urban communities—mainly because city problems are well beyond the capacity of local resources.

The city of Compton is making significant gains in development of its community by bringing in commercial and industrial interest to our city and providing jobs and stimulating the economy. But—with further cuts in aid—the city may suffer perhaps an irreversible set back that we may not be able to recover from. Therefore, I urge this committee to oppose further cuts in aid to the cities and work to establish a full committee on Capitol Hill to work toward establishing crucial urban policies that will assist cities in these difficult times. Whether the city is Compton, California or Washington, D.C., we share common urban problems that demand immediate action on the State and Federal levels of government.

Mr. Chairman, committee members, I thank you for the opportunity to speak with you regarding these important urban concerns. I hope this information will be beneficial to you in understanding the problems of the Nation's urban communities and in preparing for the future of Washington, D.C.

Mr. DYMALLY. Our next witness is Mr. Curtis Earnest.

## STATEMENT OF CURTIS J. EARNEST, LEGISLATIVE ASSISTANT, ON BEHALF OF STATE SENATOR BILL GREENE

Mr. EARNEST. Mr. Chairman, members of the committee, I am Curtis Earnest, legislative assistant to State Senator Bill Greene.

I would like to welcome you to our 29th senatorial district.

Mr. DYMALLY. Thank you.

Mr. EARNEST. Senator Greene requested that I testify in regard to two major problems which has devastated our urban district as well as similar districts throughout the Nation.

These systematically related problems are those of unemployment and the infamous phenomenon known as plant closures. Again, these problems are systematically interrelated.

What I would like to speak to are the areas of job training programs which Senator Greene has long been committed to, in addition to the problems of dealing with plant closures, and the after effects, dealing with this as a problem of the total system.

In regards to the job training, Senator Greene has been instrumental in introducing and successfully passing an act referred to as the California Work Site Educational Training Act.

This act has had great support from the Governor. It has established since 1979 over 4,000 jobs, and the Governor has supported its concept in total, and it has been or will continue to be funded and seen as a way to go for the future.

Now, under this act, what we have is a general upgrade program for vocation, for the vocations. We can use, I guess, the technical aspect, too—we have the problem of using the title "vocation" in the past. It upgrades, first of all, a person in order to take part in this program would have to be of the structurally unemployed, which definitely includes blacks and other minority groups in this program.

Currently, we have a program at the University of California Medical Center, which has been instrumental in training approximately 150 nurses. We have had programs with the RWL's, which is very successful.

The great thing about this program is that it is 95 percent successful because it is organized and established in such a manner that it would not fail, being that people are upgraded, and therefore, as they are upgraded within this program, they open up into doors at the bottom, and then other minority groups will come into this program and take part in gainful employment.

What it also establishes, is gainful upward mobility within the particular industry.

Now, more specifically, this is a joint venture between the Government and business in addition to labor groups in most cases, because a lot of these areas are organized.

In addition to that, we have the community colleges taking part in the training, also.

The State government takes care of so many inclass hours. Say, for instance, a person is on the job, and has to leave the job for inclass training. The State will take care of these costs.

After that, the worker goes back to the job, and the employer takes care of some of the costs, also. We have found that a person working on the job, and getting the kind of training, in addition to the community colleges which do a really good job in assisting in terms of coordination of these programs, because they are very experienced in such programs, we have found that a person is more likely to stay on this job and be a successful contributor to society in terms of the program.

Second, in terms of or legislative attempts, we have been dealing with the problem of plant closures which has cost several thousand jobs in our community, such as the Firestone Tire & Rubber plant, the General Motors shutdown, which idled approximately 3,000 workers.

In addition to that, we have the Goodyear plant which closed down in our district, also. We are currently on a package of legislation which we would like the Federal Government to look at in terms of what we are doing with this legislation.

Of course, the problem of the major plant closures bills, such as Congressman Hawkins' bill has not been successful in Congress.

However, what we have done to assist these workers and people unemployed because of plant closings, we have a package of legislation which includes health care benefits for those adversely affected, because we have found people out of work are still searching, due to plant closures—their medical benefits run out quickly, and they have nowhere to go to get assistance, other than the welfare system.

In addition, many of these people are homeowners, who are really contributing to society, and they cannot afford to pay their mortgages. So we are working on legislation in our legislature sponsored by Senator Greene, which extends a person's—an adversely affected worker—extends their mortgage service through the banks and savings and loan association.

We have found we are getting a lot of support—with the exception of the major plant closing bill, because this is really not the time for such legislation to pass.

But we are pushing forward with these programs. Particularly in regards to the CETA program, we believe that is the way to go, and we would definitely like the Federal Government to support this basic concept.

[The prepared statement of Curtis J. Earnest follows:]

### PREPARED STATEMENT OF CURTIS J. EARNEST, LEGISLATIVE ASSISTANT, ON BEHALF OF STATE SENATOR BILL GREENE

Mr. Chairman and members of this distinguished committee, I am Curtis J. Earnest, testifying on behalf of State Senator Bill Greene. I would like to welcome you to the 29th senatorial district of California.

Senator Greene requested that I testify in regard to two major problems which has devastated our urban district as well as similar districts throughout the Nation. These systematically related problems are those of unemployment and the infamous phenomenon known as "plant closures". Again, these problems are systematically interrelated.

The general monthly unemployment statistics published by the U.S. Department of Labor almost completely overlooks the 29th Senate district, in that it is predominately black and Hispanic. The black unemployment rate in our district remains twice that of the national average. In addition, the unemployeemnt rate of black youth is more than thrice that of the national average. This problem has been exacerbated by a sluggish economy, coupled with the termination of most job programs funded under the CETA act. Consequently, there has been a noticeable increase in applicants applying for unemployment insurance benefits as well as welfare applicants. Contrary to those who support the supply side of economic theory, the majority of these unemployed workers have yet to be re-employed by the private sector. Thus, we find thousands of men and women who desire to work, but are idled by factors beyond their control. Not only must this serious problem be addressed at the state and local levels, but the national level as well.

It is our belief that unemployment contributes to increased tensions, crime, violence, not to mention the individual's mental well-being: and therefore the total well-being and security of the community in which he or she resides.

The State, county, and city governments are faced with less operating revenue and at the same time greater demands for their services. This loss of revenue has forced governments to cut back at practically all levels. For example, such reductions include the possible lay-off of more than 7,000 employees of the county of Los Angeles. Of course, many of these prospective lay-off victims represent black and other minority groups: again, many of which are residents of the 29th senatorial district.

Plant closures have also contributed significantly to the high unemployment rate in our district. This problem is no longer restricted to the industrial cities of the mid-west and eastern seaboard. It is occuring here in California, and it is very real. Recently, our district has been devasted by the closing of Firestone and Goodyear tire and rubber plants, accompanied by the 1 year shutdown of the General Motors plant in South Gate. Consequently several thousand workers have been permanently laid off.

While many of you are aware of the arguments for/against the restriction of plant closures, I would like to share with you other social and economic effects of plant closures.

The injury which workers have suffered as a result of plant closings and relocations is not simply confined to economic loss. Several studies have shown, a worker's health is often seriously affected by a shutdown and its accompanying psychological stresses. The suicide rate, for example, amoung displaced workers is 30 times the national average. Family disruptions, with accompanying problems of divorce, alcoholism and child abuse, rise alarmingly among workers who are forced out of their jobs.

The severe problems caused by plant shutdowns are not only limited to the plant's immediate work force. The surrounding community is hit with a loss of tax revenues just at a time when it must provide additional social services to workers who have lost their jobs. Other businesses in the area suffer a ripple effect from the plant closing, which in many cases causes the smaller businesses to go out of business.

At a recent plant closure hearing held by the California State Senate, Senator Bill Greene referred to plant closure victims as the "new class of poor"—"They are people "not disadvantaged", who have been well-employed and making money all their working lives, but now find themselves on the bricks with nothing in sight and their welfare benefits running out.

In closing, I would first like to state that plant closures are extremely disasterous to large urban areas, which are predominantly minority: and secondly that these problems must be seriously addressed by the Federal Government.

On behalf of Senator Greene, I want to thank you for convening this hearing and allowing me the opportunity to appear before you today.

Mr. DYMALLY. We are challenging the Federal Government. I have introduced the Senator's bill on the national level, as you know. It has been assigned to Congressman Hawkins' subcommittee. We are hopeful we will have some hearings in the city this fall or early next spring.

Ms. Wright?

Ms. WRIGHT. I have no questions, thank you.

Mr. FRAZER. I have no questions.

Mr. DYMALLY. Thank you very much.

We will now adjourn the committee hearing until 1 o'clock.

Thank you very much.

[Whereupon, at 11:45 a.m., the hearing was recessed, to reconvene at 1 p.m., the same day.]

## AFTERNOON SESSION

Mr. DYMALLY. The meeting of the Committee on the District of Columbia will be reconvened.

The next two witnesses are Dr. Alex Norman and Dr. Eugene Grigsby.

Will the witnesses identify themselves for the record. Your testimony will be entered into the record, and you may, if you so choose, summarize your written statement, or if you wish to read it, it is all right.

## STATEMENTS OF DR. EUGENE GRIGSBY, DEPARTMENT OF ARCHITECTURE AND URBAN PLANNING, UNIVERSITY OF CALIFORNIA, AND DR. ALEX NORMAN, DEPARTMENT OF SOCIAL WELFARE, UNIVERSITY OF CALIFORNIA

Dr. GRIGSBY. I am Eugene Grigsby, associate professor of the School of Architecture and Urban Planning, UCLA.

Dr. NORMAN. I am Alex Norman, associate professor of social welfare at the Graduate School of Social Welfare, UCLA.

We would like to give a joint presentation. We will not bother you with all of the statistics, nor will we read the entire statement. But we would like to read from a quote, and then to suggest to you some trends that we have seen through the work that we have done here in Los Angeles, and then we would like to look at some issues that we think ought to be addressed, and then address the question of how do we get there from here.

The quote reads:

> The social and economic conditions that gave rise to the political revolts of the 1960s still fester in the cities throughout the Nation. In education, minority children in the North and West continue to attend segregated and overcrowded schools. Minority college enrollment in graduate and professional schools is declining. In housing, many homes, apartments, and neighborhoods remain unavailable to minorities. In employment, minorities are often excluded from skilled professional and managerial jobs. Their earnings are lower than whites. Their unemployment rates higher. Minority health and life expectancy continue to lag far behind whites. Discrimination clearly remains one of the Nation's most serious problems. Its victims are blacks, Latinos, women, the handicapped, and the elderly.

Now, that basic condition we suggest that the Los Angeles Times quoted in 1980 has not changed during the course of the year. The trends that we have noted within depressed areas since the 1960's include decreased population, that is white decline, and Hispanic increase, so that if you look at the south central area now, instead of finding a predominantly black area, you will find a sharing of that area with a large Hispanic and Latino group, who also share the status of poverty.

There has been increased poverty as a result of upwardly mobile blacks who have moved out of the inner city to the suburbs. There has been increased unemployment, increased need for unemployment financial assistance, structural changes in the economic bases where we see the factories moving not only outside of the city but outside of the country. So we are not just dealing with a piecemeal approach to providing some relief for Los Angeles.

We have seen increased renter occupancy, decreased owner occupancy, decreased vacancy rates, erosion of the quality of the public schools, inadequate supply of affordable housing.

In coming to this hearing, I mistakenly went to another section, and there were two old black ladies attending one of the tables. When I asked if this was the place where the congressional hearings were being conducted, immediately she gave me directions to this room, and then suggested to me:

> If you can tell them something, tell them that we need rental relief, because there is no rentals available in south central Los Angeles. And it is particularly acute for black families who do not have large families in the sense that a large number of people can share a house and therefore contribute to the payment for the rent.

And so she said to tell you that they are strapped. So it is not just a statistic, it is in fact reality.

Among the other trends we have seen are inadequate transportation systems, including both public transit and the maintained streets and freeways. They are not as well maintained as previously. There is insufficient recreational and cultural activity. Increased need for social services, such as health care, job training, inadequate unemployment and financial assistance to those in need, lack of full citizen participation in decisions affecting the future of the city and neighborhoods, and decay of what infrastructure is there. And there is an increased crime rate.

Now, those are the trends.

Now, what problem areas should we tackle?

Dr. GRIGSBY. Based on those trends, and looking around at other depressed areas in the country, we believe perhaps a single area that needs a great deal of concentration now is the question of employment, the issue of the structural basis for minority employment.

The unemployment rate among the distressed communities in the Los Angeles area runs anywhere from 14 to 25 percent among blacks and Hispanics. This picture is generally true throughout the Nation. A healthy economy specifies that the unemployment rate should be somewhere in the neighborhood of 7 percent. Minority community unemployment has always been much above the 7-percent level. But now it is rising in astronomical proportions. And we believe that the Federal role in addressing this issue is absolutely necessary. There needs to be some kind of national economic policy that is oriented to the problem of unemployment in local areas.

As Alex pointed out, we think that it is naive to believe that such a policy can address economic issues in a piecemeal fashion, particularly in light of watching the large labor-intensive industries throughout the country.

In Los Angeles specifically, the GE plant in Ontario has just given notice to its employees it is closing. The Firestone plant has closed in south central. The Goodyear plant has closed in south central. A great number of formerly labor-intensive industries located in this area are declining, and declining rapidly. The kinds of industries that are on the rise here are your aerospace, your light manufacturing, your non-labor-intensive types of industries.

We see at this point no great hope for economic intervention strategies under current policies to provide relief for unemployment for minorities in the Los Angeles area.

One of the indicators that we feel should be monitored to determine what success is being enacted in this particular area would be minority unemployment rates. If we set a goal as reducing the minority unemployment rate from some figure of 25 percent to some figure of 12 percent, we would argue progress is being made in terms of improving the economic condition of minorities in the Los Angeles area.

When we look at other kinds of Federal programs that have been tried and ask ourselves what has been the success of these programs, we note that there have been successes in certain areas. For example, the section 8 housing program, if you examine its three components, you will note that section 8 new construction has been very successful for the elderly, outside of central city areas. Moderate rehabilitation under section 8 has been fairly successful within central city areas for moderate-income individuals and households. The existing section of section 8 housing has been very successful for low-income minorities and large families. So in one sense we can say the Federal housing assistance programs have been successful, but they have not been unilaterally successful for different kinds of minorities residing in different kinds of situations in urban areas.

We also note that the urban development action grant program appears to be successful. Though the program has only been on the books for a few years, it is targeting resources to areas and people that need those resources. And I think for us, one of the keys for successful intervention is to have a kind of policy and a set of strategies that will allow flexibility in the delivery of the services that are needed; that a single nonmultifaceted approach in problem solving will probably not prove to be too useful for minority communities.

Dr. NORMAN. Now, in getting there from here, I guess that is the difficult one.

As we point out in our testimony, we think there has to be increased Federal oversight in the form of setting standards, so that if there is going to be development of economic programs, the Federal Government has to take a much more active role than it has taken in the development of the block grant strategy. Because what we have seen in this area is that the block grant strategy has essentially resulted in reduced participation on the part of community people and an increased strengthening of bureaucracies, so that the bureaucratic administrative departments develop coalitions in such a way that they deny the very communities that need the funds the opportunity to participate in the deciding of how those funds should be spent.

For example, in a study that we point out, Dr. Pierson at UCLA examined the block grant strategy of the LEAA programs, the Law Enforcement Assistance Administration programs over the years of 1969 through 1975, and essentially found out of some approximately $58½ million, a paltry amount, something less than 7.9 percent, actually went to community agencies and to universities. So that basically some 90 percent of those funds went to strengthening bureaucratic agencies. And we do not want this to degenerate to an issue between Federal and local control. We think basically that the strengthening of the bureaucracy is not going to be of any help. We think the important thing is going to be in building an infrastructure in communities. And that means essentially using the service funds to develop some kind of a process that allows the communities to begin to determine their priorities and develop an infrastructure that will at least cushion those communities from the harsh realities of increased unemployment and of inflation.

So what we would suggest, then, is that there be some increased oversight on the part of the Federal Government through the setting of standards, and some monitoring to insure that those standards are kept at the local level.

Mr. DYMALLY. We have with us today Miss Margaret Wright, the minority counsel, and Victor Frazer, who is the counsel to the Subcommittee on Judiciary and Education. Miss Wright has some questions.

Ms. **Wright**. Dr. Grigsby, you mentioned the UDAG program as having been somewhat effective in its short history as far as can be told at this point. It is my understanding, although I do not know how public the statement was made, that there are some feelings in the administration that the UDAG program ought to be phased out, and folded in with other programs, such as the urban enterprise zone concept which has been proposed. Would you comment on that, what the result of that kind of a combination of several programs would be?

Dr. **Grigsby**. Certainly.

One of the predispositions of the current administration is to move away from any kind of categorical programing and move to a block grant concept. The UDAG program, unlike community development block grant programs, is much more categorical. And one of the reasons it potentially has been successful to date is the fact that there are strict requirements that localities must meet in order to be eligible for UDAG funding. That is why we can suggest it has had some of the kinds of impacts it was designed to have.

In the event that the program is phased out and folded into the community development block grant program, two things are likely to happen: First, there will be less moneys available to provide relief to cities; and second, the constraints as to how those moneys must be allocated would be removed.

Ms. **Wright**. Some people have suggested that one of the reasons the UDAG concept has been somewhat successful is that it requires a partnership between Federal funds and the use of private sector funds, a leveraging kind of a process. Would you agree with that?

Dr. **Grigsby**. I would strongly agree with that, and would take one step further in suggesting that much of new Federal policy that is oriented toward the private sector solving many of our urban problems should be encouraged, with the proviso that the private sector should be held accountable or should at least report back to the public of the successes it has had in solving the problems that the current policy suggests the private sector can do so well. That is, private sector policy should be under close scrutiny as to its effectiveness. I would suggest as a part of this new partnership the private sector should be held accountable and report to us how effective they are in addressing the same problems that the Federal Government has been accused of not being able to meet successfully.

Dr. **Norman**. May I just add—this is not a criticism of the private sector. What it basically is, is a suggestion that the sharing of this information should be public, and that the private sector should assume a responsibility for documenting the process by which they resolve some of the problems where we say the Federal Government has failed in order for other communities to take advantage of that knowledge.

Dr. **Grigsby**. Perhaps to be even more specific, under the proposal for urban enterprise zones, it has been suggested that urban enterprise zones can take up a lot of the slack that are levied at the problems with the phased-out EDA programs and certain aspects of the block grant program.

I think it is our contention at this point that we have some questions as to how effective private enterprise can be within these urban enterprise zones if we examine current trends. Most labor-intensive industries are leaving the central city. Most industries that might be attracted to enter the urban enterprise zones may do so for reasons that are more in a corporate interest than in a public interest. That is, will the tax benefits derived as a result of moving to an urban enterprise zone offset profits in different divisions of the same company? Can you derive more tax benefits from establishing a warehousing operation in an enterprise zone, even if you fulfilled the local requirements in terms of hiring. If you are not a very labor-intensive organization, hiring a 100-person local labor force does not help a lot of problems. By so doing you have not dramatically impacted the local economy of the very area that you have supposedly been given this enterprise zone to do something about.

Ms. **Wright**. We heard several witnesses this morning say that they felt that the private sector lacked itself the capacity or the will to undertake many programs on its own without the incentive of Federal assistance in some way. In your experience, would you agree with that characterization?

Dr. **Grigsby**. I do not think either Alex nor I could be classified as individuals who are antiprivate sector. We love the private sector; we participate in it to a great extent.

But to say that the private sector lacks the will or the expertise or the know-how or the desire I think, is perhaps overstating the issue. I think the issue is one such that there are no simplistic solutions. What private enterprise has historically relied upon as indicators of success at the corporate level, at the planning-management level, I think may be very difficult to be followed if they want to attack some of these difficult problems. That is, if you must show in a given division in the private sector, or in a small company, some profit margin, then you have got to be able to control your costs. You cannot afford inefficiencies. Many of the problems that we talk about are very inefficient problems and require massive intervention that from a strict cost-benefit, cost-analysis, cost-effectiveness point of view will show that more dollars are being spent than outcomes can be derived.

If that proves to be true for the private sector, it would appear to us at this point that they would quickly lose the incentive to want to be engaged in any kind of program that was very inefficient, and where the cost exceeds the benefits to them, that is profits.

Dr. **Norman**. I would just add that there may very well be a certain segment of the private sector that in fact has less than the will to become involved in these programs. These are sticky programs which do not lend themselves to a simple solution. As planners we know that, because we are constantly trying to develop a strategy for anticipating what the problems are going to be, so that we do not exhaust our resources in trying to resolve the problem. It is anticipatory problem solving.

At the same time we also have to recognize that private industrial organizations are undergoing change, too. They are failing miserably. I just left a conference this morning with a space technology and information organization with which I consult, and they are undergoing the same kinds of management problems that the human services professionals were being criticized for during the 1960's and 1970's. And I think one of the reasons they are undergoing those problems is they simply do not know how. So that the know-how may very well not be there. I would agree with that as a general statement. But the know-how simply is not there, because the concept of the profit as a drive toward developing the organization is quite different than in the public sector, where for years we have simply not had to worry about budgets. It has been just very recently that we have had to be concerned with budgets. And I am not so sure that simply because we are concerned with budgets now that the know-how exists even among the public sector. I do not believe the know-how exists either place. I think we are going to have to find a way to resolve some of these problems, and that is why I would encourage a partnership between the private sector, the public sector, and the community at large.

But I would suggest further that the role of the Federal Government as an oversight responsibility setting the standards and monitoring to make sure that each one of those components participates fully would be the key to the success. But I do not think there is an outlined plan that anyone has, and I do not think that private industry is really that brilliant, that they could devise a plan for making the public sector go broke at their expense. I think we give them too much credit.

Ms. WRIGHT. Thank you. I have no further questions.

Mr. DYMALLY. Mr. Frazer.

Mr. FRAZER. Dr. Norman, with the alleged large number of undocumented workers, how do you propose to get a realistic figure on the percentage of unemployed if you in fact define these workers as a component of the minority population?

Dr. NORMAN. When we say unemployed, we may speak of it in the traditional sense. For example, underground unemployment, crime, is a valid means of employment in many of our areas, simply because of the undocumented status of people, and of the lack of professional and technical skills. So that I think that is an impossibility. I do not think that anyone can get an accurate count of an undocumented population.

I do not know that that is important in the sense that if we begin to develop those communities so that they are empowered to make decisions about how they are going to handle their unemployment problems, how they are going to handle community problems, I think the success of the effort can be measured in terms of the reduced people on welfare rolls, the increased people in employment. And rather than I think concentrating on what seems to be a rather impossible problem in this area, I think we have a much better payoff if we really concentrate on how we can put the people who are presently unemployed, regardless of their status, to work. Because in dealing with people in Mexico, they really do not refer to California as California. So when they say they are coming up here, they say they are coming up north. And they consider this to be still a part of Mexico. And that is difficult for those of us who are north of the border to understand that as a mentality—they do not consider themselves undocumented aliens, they consider themselves citizens of this country. But it is only when they come up here and they find themselves in difficulty with Immigration and Naturalization Service that the issue of citizenship is raised.

I would prefer, in this long answer I am giving, to look at the problem in terms of how can those communities themselves, deal with the problems that we are facing, rather than exhaust our institutional resources in trying to deal with them. They might have to be dealt with in nontraditional ways, rather than traditional employment ways.

Mr. **Frazer**. Dr. Grigsby, what connection, if any, do you find between the migration of nonminority populations from the city and the rise of unemployment and the reluctance of businesses that have come back into the cities?

Dr. **Grigsby**. Let me see if I understand your question. The relationship between migration in and out of urban areas.

Mr. **Frazer**. Yes; by nonminority populations.

Dr. **Grigsby**. I think what we have found traditionally—the simple answer would be to say if you look at population trends—you can look at most urban areas in the United States and discover that the white population has declined in the central city, and has risen substantially in the suburban rings or outer regions. You also find, I think, if you look closely that industry has followed this migratory pattern. But whether that cause-and-effect relationship as would appear on the surface is in fact true or not I think needs close examination.

That is, industry always looks for advantages to itself, advantages in terms of land costs for expansion, advantages in terms of an appropriate labor supply to fill the kinds of job functions that it has, tax incentives in terms of the size of the structure, et cetera. And I think what you find in the relationship of these migratory patterns is that your suburban cities and unincorporated areas are providing excellent incentives for industry to move. Industry may or may not need population densities in order to move. So it is a question of the chicken or the egg. Do you need a substantial population, that is, white population, to staff your industry before you move, or is it sufficient to move and then allow folks to commute?

Here in the metropolitan region the fastest growing county is Orange County. The majority of the industries that have been moving to Orange County have basically cited excellent land-cost opportunities and an available labor supply as two reasons why they have moved out. They turn right around and say that in central city Los Angeles land costs are too high, taxes are too high, the crime rate is too high, the infrastructure is falling in on itself, and we cannot bring—because of high housing costs and the general ambience of the environment—we cannot bring top-level executives to live in Los Angeles. Therefore, taking all of those things into account, it is a heck of a lot easier to move to Orange County, San Diego County, Ventura County, and start from scratch.

Mr. **Frazer**. If you believe that the business of the private sector is profitmaking, and we have affirmative action, whereby businesses come in the city and have to hire so many minority people, what incentive is there for the business to come into the city if it has to use its valuable time and money training the undertrained?

Dr. **Norman**. I think that is a tough one. As Gene has just indicated, with the high cost of everything the only way that business could afford to move into the inner-city is to devise some means of first of all attracting employees who would then come into the inner city for work, and also some way of deferring the costs. But as Gene said, I am not so sure it is a matter of business moving where the people are. It seems that most of the people are concentrated in the inner city, at least most of the people of color. So if you talk about affirmative action, in order to get the people of color you are going to have to move into the inner city. It may very well be one way of encouraging business to locate a certain kind of industry in the inner city, that is maybe to begin developing industrial parks for light industry.

Now, that has a net effect of restricting people of minority status to those kinds of tasks that light industry can develop. But that is better than unemployment. And I am not sure that at this stage there are identified industries that we can bring into the city.

I think what we are going to have to do is begin to look for different kinds of employment. For example, I think communities are going to have to get together and develop cottage industries. I was at a meeting this morning where there was a recognition from the top managerial levels that they are just not going to be able to find the people that they need. So what they are going to have to do is redesign the factory.

They were talking about having cottage industries, little communities where people would report to them by computer, or by some kind of device, and yet be managed at long range. I think this is very viable for communities in Los Angeles, where the community itself can form an enterprise, and use its collective skills to engineer in some kind of activity that will result from financial gain for a community.

Now, that is a bit creative. But I think the kinds of organizations and institutions that we are dealing with are going to be new institutions. Many of the jobs that will be there are not yet even defined. So that I think what we are going to have to do is shed an old way of thinking that was mainly dominated by industrial organizations and factories, and develop a new and creative way of thinking about how to redefine employment. And maybe instead of talking about individuals being employed, we are going to have to talk about communities being employed and look at community interests instead of individual interests.

Dr. Grigsby. Let me expand on that if I could, because I think a problem that the Federal Government has had, and I know local government has had, is thinking of solutions to problems in a very fragmented and a very sectoral fashion. And I am afraid that thinking of an economic solution to urban problems as currently being perceived will be another failure, because of this degree of fragmentation.

For example, has anyone started to think about what might be the potential impacts on local communities of creating these urban enterprise zones, even if they are successful. What will be the impact on the local school system? What will be the impact on the local infrastructure? What will be the impact on the local transportation system? What decisions are being put into place now in the educational system that may negate success for the urban enterprise zone concept? If the school system continually devises ways that basically cause division among communities, and accelerate exodus from communities, it could very well be that the school system is on a course that will mitigate against any successful urban strategy vis-a-vis employment.

I think what we would argue is that solutions to these problems need to be coordinated, and they need to be coordinated across sectors, and before any implementation of any kind of program, urban enterprise zones or any other new creation, some kind of thorough impact assessment ought to be done to see how that decision may cause dysfunctional operations or inefficiencies in another sector set of policy and decisionmaking. That does not happen very often now.

Dr. NORMAN. In following that approach, one vehicle for accomplishing that is the use of town meetings. The assumption is that inner-city areas are resource poor. That is not so. Inner-city areas are rich in diversity, in knowledge. But there is no vehicle for bringing all of that knowledge together, so that we can find some solution. And it seems to me that one of the things that the Federal Government can do in its role is to begin to bring together persons from different parts of inner cities so that they can begin to develop at least an inventory of the kind of skills that they have, so they can begin to look at what is possible, the kind of coordination not which only across racial lines, but coordination across municipal lines. Because no longer are we going to be able to think of Los Angeles' problems as only Los Angeles' problems, or Compton's problems, because they really impact other communities.

I think one of the processes for getting there is just to bring people together, to have them begin talking to each other, which is exactly what people in industrial organizations are doing now. They are bringing people together to have them just sit and talk about problems and issues, to see what develops.

Mr. DYMALLY. Thank you very much, Dr. Norman and Dr. Grigsby, for your testimony.

Our next witness is Ms. Mary Henry, director of the Avalon Community Center.

Would you identify yourself for the record, please.

## STATEMENT OF MARY HENRY, DIRECTOR, AVALON COMMUNITY CENTER

Ms. HENRY. Yes; Mary Henry, executive director of the Avalon Community Center here in Los Angeles.

I thank you very much for the opportunity to be here this afternoon and to go over one more time the problems that we consider to be most outstanding in this community.

After reading the notice of the hearing, and its purpose, to make a comparison between the plight of inner-city cities, such as the District of Columbia, as compared to Los Angeles, it occurred to me we might be on the wrong track in terms of comparisons.

I have the privilege of sitting, being a member of the community development committee of the Lutheran World Federation. That is a nine-member committee whose function is to fund programs and projects in developing countries—South America, Africa, and Asia.

And much of the work that the committee does is based on one question, and it is what is community development for—domestication or liberation. And I think that question needs to be asked in terms of what the Government or people of power are doing to the people who live in cities.

I am sure all or most of the testimony that you have received here today deals with problems of housing and child care, crime, employment, and so forth.

Since you have had expert input on that subject, I would like to deal with the concept that none of this is going to work, no programs are going to work in the inner city, as long as there are those persons about us who are determined that there will be no growth and development in the inner city; that in fact all of the little peanuts that they dole out are indeed for domestication as opposed to liberation. And I think that is precisely what has happened in many of our cities. Many people who are in charge decided that they can just give people so much, just to whet their appetites, and to let them know that the authorities are there. But they never completely followthrough with all of the things that are needed for community development to take place.

In terms of housing, people are without housing. And yet there are boarded-up housing in our community, vacant houses in our community. And still senior citizens and other persons are crying daily about not having a place to stay.

In terms of crime, I personally have been involved with youth for at least 30 years of my life. And it seems that we keep spotlighting and highlighting the youth in our community who are nonachievers and who are involved in a lifestyle that is negative. It would seem to me that someone needs to look at the amount of money that is being poured into inner cities to work with gangs, to work with troubled and problem youth, as compared to the amount of money that comes into our cities working with youth who have a potential, and who really want to do something. And I know at least 25 youngsters who are a part of our summer program, who have the potential for higher education, and cannot get it, because nobody is being involved with them financially. And yet the county of Los Angeles has allocated thousands of dollars to work with gangs and to import some folks into this community—I am talking about some people from Philadelphia, they call it the Philadelphia plan—without ever taking the time to look at all of the resources that we might have here in the city that could be developed or used, and that money could go to some other causes.

Another thing that I see happening in the cities is that, especially in Washington, D.C. and in Los Angeles, there is something magic about light—whether it is spotlights or sunlight or something. When the Sun is shining, when the bright lights are flashing, people think everything is all right. There is so much notoriety going on in Washington, and the focus is on all the important people, that somehow I think people have forgotten there is another part of Washington, D.C. that ought to be focused on as much as Senators and Presidents and what have you. By the same token here in Los Angeles, everybody thinks we are all in Hollywood, everybody thinks everything is lovely all the time, because the Sun is shining and it is bright, and things are pretty and green. And they do not see beyond that in our inner cities. And somebody has got to look beyond the brightness, to see where the problems in our inner cities really are.

There are parents who are part of the welfare system who want to get off of welfare, but the constraints are such that if they get off, they have to have certain kinds of jobs, they have to meet certain kinds of criteria. And nobody is talking about a community developing itself so that people who live there feel good and important about themselves. And I think that is the ultimate plight of inner cities, is that those of us who live in inner cities have been lulled to sleep, have been mesmerized and hypnotized into thinking that there is no way up. And somebody has got to do something about that. Somebody has to say to our young people that you can be as important to this community by learning to read and write as you are to a subculture by learning to handle a gun and steal and use and sell dope. Someone who has the authority to make this message be known has to do that.

Right now President Reagan is getting by with one of the most blatant lies that has ever been perpetrated against the poor, by running around the country, even at the NAACP conference, indicating that poverty programs and all of the programs that came up after the 1960's have not been good for the poor. That is a blatant lie. And he should not be allowed to continue to say that.

If you look at Head Start, and the number of young people who got a start in Head Start, and are now productive students in our school system, whatever good the school system is to them, if you look at the number of parents who have become involved because they spoke of maximum feasible participation of the poor and who learned about a system enough to at least get involved in it, and are now following their children in the schools, through the school system, if you look at the number of people who worked in community development and who really for once in their lives got a chance to know who they were, got a chance to know where they were, got a chance to be able to define where a community ought to be going, and suddenly all of the wherewithal and resource for a community to get there are gone—it is a conspiracy based on racism; it is a conspiracy based on sexism; it is a conspiracy based on those who have opposed, and I mean opposed in a silent way, opposed to those who have not. And nobody is really doing anything about that.

As I travel about the world, in whatever country I go in, the No. 1 subject on the tips of people's tongues is land—hold on to your land, develop your land. I was recently in Ireland, a lovely land that was blessed by the Pope, who admonished the people of Ireland to hold onto and protect that land.

The most valuable land that I know is an inner-city. Alex and his friend were here talking about the flight of people to the inner-city. There is a flight away from the inner-city. But all of those or most of those flying away from the inner-city are sneaking back in under the guise of economic development, under the guise of a number of things, and recapturing this valuable land that is in our cities. But nobody has made an effort to say to folks, minority folks, who own land, hold on to it, what else do you have but that.

Again, I think it is a conspiracy. And it is also very self-serving.

I am presently extremely concerned about what is happening in the criminal justice system in California, especially with our youth. Recently I participated in a study concerning the disproportionate number of minorities incarcerated in prisons in California. We went all over the State talking to people. And somehow there is a belief among persons who have been in and out of the criminal justice system that there is a self-serving purpose of those who are there—that what would policemen do if there were no crime, and what would probation officers do if there were not folks on probation, and what would parole officers do? And that somehow or another there is a self-serving continuation of problems, so that our economy can continue to support those persons who supposedly are getting rid of the problems. And I hope that this committee will take a look at that in the light of our urban problems.

I believe that businesses are part of the conspiracy to run away when they could be doing something in the inner-city, in answer partially to a question that you raised. I do not understand how my son and other men and women who live in the inner-city and who travel to El Segundo, and places in close proximity to Los Angeles, to carry out the mission, the work of Lockheed, Hughes, and those places, why those persons cannot do the same work in the inner-city.

If the persons who own those factories and businesses thought enough of our community to bring businesses into it, there would not be that much of a loss. What we have done again in terms of lulling people to sleep and mesmerizing people is to make people in our community, according to the great American ethic, believe that they are no good unless they are punching a time clock. There are so many jobs out there that ought to be done, cleaning up the streets, counseling young people, working to help clean up homes of senior citizens, that if they brought a different ethic into our community, and made people feel—have a feeling of self-worth from being useful to their fellow citizens—rather than every move they make—their worth being determined by how much money they make—there is something all wrong with that. And the inner-city people are going to have to reevaluate their worth, reorder their priorities, and talk about helping each other.

In some of the projects that are funded by the Lutheran World Federation, they are funded in spite of governments. Some of our best programs are in Namibia, where the South African Government does not even allow us to come there. But we have ways of getting the money into the communities there—for building, for preserving their history, for making the people have a mechanism for contributing to the growth of those cities. And I submit to you that there is some money somewhere that could come into our communities to assist people in understanding the concept that human worth, even though there should be money, that we cannot keep making people feel they are nobody because they are not producing paychecks at the end of a given period of time.

There has to be some creativity, there has to be someone who is not afraid because just as inner-city people have been lulled to sleep since the riots that took place in the 1960's, there are those persons in command and control who evidently are afraid to make noise. And if the leaders in our community are afraid, then those persons who follow them must be afraid, also.

In closing, I would just like to summarize very simplistically what I think has happened in our communities.

We started with what I would consider a lovely garden many, many years ago—my parents, your parents. And our communities were blooming and flowering until there came a time when sociologists, Pat Moynihan included of course, who made us think that it was all wrong for mothers to be in leadership positions, that it was all wrong for men to consider women as their equals and as their mates, and suddenly our belief in ourself as a community diminished.

In the 1960's, with the passage in 1964 of the Economic Opportunity Act, and those programs which grew out of it, I think that we in our communities were given some seeds to plant, and that we had an opportunity to nourish those seeds, and to see the plant grow. But it is my opinion that the present administration, the previous administration, and persons who are part of both of them decided to snatch the blossom before it came into being.

Thank you.

Mr. DYMALLY. Ms. Henry, I was interested in a couple of observations you made. During the student movement I had the opportunity to teach at Claremont and I saw a number of the young people at the center who but for the college opportunity grants would never have had a chance to go to Claremont and gain the benefit of a middle-class education. Many of them now are at Xerox, IBM. I run into them in Washington.

Unfortunately, we cannot blame the conservatives or any particular party because it was some of our friends who began criticizing the poverty program for political purposes. And I have always felt somewhat hurt that they never saw the benefit of that program, because I do not think they ever came in the black community to see how the whole fabric of that structure began changing. If nothing else, we learn how to write proposals. I never heard of writing a proposal until the poverty program. We learned what it was to be a supervisor, coordinator. I did not know any of my friends who had those kinds of jobs. So we learned middle management, learned how to manage. We made some mistakes. So did Lockheed, so did Chrysler, and a few other companies. But no one seemed to think very much about those failures.

Besides, the poverty program in my judgment was an experiment in social engineering. And I share your feeling.

The other one is a personal story. Most of us in the inner city just got tired of slum property. I recall one time I was about to sell the family house. My mother heard about it and raised so much hell that the house was in escrow, and I had to withdraw it. Today the kids find it very, very convenient to live in that house, because they cannot afford apartments. I am kind of glad the old fox had some value to land, especially in Third World countries. It has all become very, very important to us now.

Miss Wright has some questions.

Ms. WRIGHT. I think you have said some very provocative things in your statement. I am not sure that I think there is much more that needs to be added to it. But I do think that it is clear that we are in the midst of a political climate at this point that is concerned about reducing the availability of governmental resources for the kinds of programs that you are talking about, that have been put in place in the past. That I think is a reality that has to be dealt with.

What do you see as a way in which the community, the organizations, the infrastructure that has been built up as a result of the Federal funding in the past, how do you see that these organizations can begin to cope without the Federal funding, which regardless of your political views about it, is not going to be there, apparently?

Ms. Henry. Some months ago the board of directors and staff of Avalon Center went on a retreat, talking about a new direction. It is my contention, my firm belief, and my hope that one day we will see communities learn to support themselves. I do not mean out of malice and racism, as Ronald Reagan is speaking of, but out of character building and respect for one another, and the ability to join hands and make something happen.

I think the community development must start at the bottom, at the very base of a community, and work itself up and ultimately control what happens to it, including the Government's input to it—must be done on a partnership basis. But I believe that there are enough people working in any given community or enough resources in a community that with the proper assistance from those persons who know how to do it, that communities can in fact build themselves, build their resources, most of all build their belief in each other, for their own survival.

Mr. Dymally. Ms. Henry, could you tell us something about what is the Avalon Community Center?

Ms. Henry. The center is a settlement house in the true sense of the old Hull House settlement house. We are now into our 42d year in south-central Los Angeles, with a very simplistic mission. And it is to bring people from where they are to where they want to be. And we do that through drug abuse programs for young people, alcoholism programs. We have CETA employment training programs, educational programs that do 1-on-1 tutoring for younger people, and community-awareness kinds of town meetings and workshops that tend to let people understand better the system that has controlled their lives.

Ms. Wright. It occurs to me that many of the programs that the Federal Government instituted in the sixties and early seventies—I guess mostly in the sixties—had as at least a part of their aim not the total support of the poor and the minority communities, but precisely what you are talking about, the assistance in developing a community's ability to help itself, and to build within the community resources to eventually free the community from the need for continued Federal funding.

Do you see that that has worked in that sense? You were talking about the need. It would seem maybe this is the test of the success of that philosophy.

Ms. Henry. Well, I do not want my philosophy about that to be misunderstood. I do not believe that a community ought to ever be without Federal assistance. But it has to get itself on an equal partnership with the Government to be recognized as a partner. As it is, it is presently that the Government is the great father, white, if you will, and the communities are the recipients.

Bishop Cabrira, who is the president of the Lutheran World Federation, has said upon occasion if there is no one to receive the gift, then the giver is left with nothing. And I think that concept is true of America.

This is a wealthy nation, wealthy in terms of some resources that it chooses to divert where it wants it to go.

But I think communities ought to build themselves up to a point where they can make the kinds of demands on a government, because they are partners and active in that government.

When I think of farm subsidies, oil subsidies, when I think of all the money going in different directions, and then the little minute, minuscule amounts of money that welfare mothers get, but they do not talk about all the good southern gentlemen who are part of our Congress who have and still might receive farm subsidies—but they turn the spotlight on the little welfare recipient. When we talk about persons who struggle to pay their taxes, and we look at tax writeoffs for those who have, that they write off more than some people ever see in a lifetime—I think there is an unfairness there. Communities have to build themselves up, as I said, to a position of negotiating, instead of being the dumping ground and the recipients for people in power. And in the sixties, they shared because someone said it was right to do so. In the seventies, they shared because they did not know another direction to go. In the eighties, they have determined that sharing is not the thing to do, and they choose to withhold everything. But I am saying that communities must build themselves and develop themselves—in some rather radical terminology I am about to use—get in a position if they are not given what they deserve, that they are able to take it.

Ms. Wright. Thank you.

Mr. Dymally. Thank you very much, Ms. Henry.

Let me read the order of our witnesses to conclude our session. Our next witness is Mr. Danny Bakewell, then Mr. Leland Wong, and then Mr. Mario Perez and Mr. Rudy Andrade.

## STATEMENT OF DANNY BAKEWELL, PRESIDENT, BROTHERHOOD CRUSADE, BLACK UNITED FUND

Mr. Bakewell. My name is Danny Bakewell. I am president of the Brotherhood Crusade, Black United Fund. I would like to thank you for giving me this opportunity to come before you and say what I feel are the problems truly confronting our community, as well as develop some solutions that might be supported by you and your colleagues for moving our community to a more independent self-serving base that could truly affect the health, education, social welfare, and cultural development of all that live in the inner city.

I have listened to a number of people who went before me. While I am challenged to speak about many of the issues that confront black people in the inner city, I would like to be more specific in dealing with what I am involved in, and particularly what I feel this committee and recommendations could do to assist black people and poor people in the inner city for developing a better life.

And that of which I speak is truly economic development and self-sufficiency.

I truly believe that at the root of all of the problems existing in our community is a void of perceptive community development with a base of economic development.

We at the Brotherhood Crusade, who really represent a very broad constituency in our community, have faced the fact long ago that Government aid was not truly the answer to the problems of our community. And while I do agree with Miss Henry wholeheartedly that a community should not be without Government assistance, I find it somewhat demoralizing to have our total development as a people reliant on the Federal Government. And while there have been those of us who have pursued that line, to no avail, and we have seen programs cut back year after year after year, and have pursued ultimate methods and means for supporting our own community, even those methods have been met with alienation and hostility.

Those things of which I speak are a general solicitation process to Government employees, to have the right to determine funds, their charitable dollars, and where it will go to support the types of entities that are supporting our community in the areas of health, education, welfare, cultural development, and economic development.

The Federal Government has continued to provide United Way of America a monopoly on that solicitation process. Through the Office of Management and Budget, through the Civil Service Commission, United Way of America, and other large charities, such as the Red Cross and many of which you certainly know, have been given carte blanche abilities to solicit employees including yourselves without ever giving you the opportunity and independent selection of whom you would like your charitable dollars to revert to.

I bring this up because it is a very crucial matter, and we all look at it and talk about it as charity.

Mr. Dymally. Mr. Bakewell, before you proceed, just a couple of lines about the Brotherhood Crusade.

Mr. Bakewell. Brotherhood Crusade is a self-help institution developed for the purpose of establishing an independent financial institution in the black community, and black communities throughout this country, that could respond to the health, education, and welfare needs of black people and other people afflicted with similar circumstances, without seeing the solutions to our problems through the eyes of outside financiers, which has traditionally been the case.

We have been fortunate enough to have prevailed in one sense, in that we are 14 years old, and we now have an independent cash flow position in excess of half a million dollars a year, receiving no funds from the Federal Government, receiving no funds from the State government, or any municipal government.

And it is that message that I bring to you, and ask you to have some insight for recognizing—while on the one hand the Government is saying that programs that have been developed have not worked, which is totally not true, they are on the other hand not even receptive to programs that have been developed by communities to do something for themselves—not standing by begging them to take care of the health, education, and welfare needs of our children, our seniors, and our people who are involved in day-to-day life in our communities.

Where do we turn? Ms. Henry said something that was, I think, very significant, and maybe one of the most significant things that was said today. And that is that our community really has to get in place and in position to either develop a partnership and receive something, or stand to take that which we need. And I do not think any of us advocate or condone violence. But we are being pushed in a corner in such a way that there is no outlet for us but to strike back at those whom we perceive is striking out at us. We have brought viable methods and means, which is certainly not new or innovative—in some instances they have been carbon copies of what has been existing in other communities—in the Jewish community, certainly in the majority community—why is it that when we develop means to take care of ourselves, with all of the conservatism that exists in Government, that that is not met with some innovative outreached hand to assist us in that development process?

I suggest to you that things that will make our community independent is the ability to raise money through means of which I just stated—and let me give you a scenario.

I heard Alex talk about infrastructure. The infrastructure which he spoke of I think goes something like this. When we raise $500,000 or $1 million, we cannot keep it in our desk drawer. We have got to put it someplace. So we put it in a minority bank, or savings and loan. That bank or savings and loan begins to draw interest on our money, but so do we. That is something that has been void and not a luxury, if you will—a business ethic that has not even been allowed the community from the Government standpoint. You invoice money in the poverty program, you spend $10,000 and then you invoice $10,000 to pay for that debt which has already been incurred. So the community never receives a financial dividend or benefit from the proper utilization of that money.

When we give grants to organizations, we can influence minority vendorship, business development. If I give an agency a grant for $100,000, we can have stipulations that they use minority vendors for their services, such as buying paper, paper clips, printing, janitorial services. These are the kinds of things that have been going on around us that have been totally missing in our community. The same ethic works in the Federal Government.

Black people have never truly gotten the dividend on the Federal money coming into our community. And that is why when it is removed, we have become totally dependent upon its infusion, and have not gotten any of the ancillary business benefits from that money. We have not developed businesses, because we have not had control over those resources.

But I submit to you honestly and earnestly, what would you have us do in the face of a recession on spending money that comes from the Government, and ar alienation on receiving help from developing means for doing something for ourselves.

With that, I will conclude.

Mr. **Dymally**. You made mention of the reluctance of OMB to provide some sort of facility for you to receive dues from those who wish to volunteer them. Is there something specific this committee can do to bring that to the attention of OMB?

Mr. Bakewell. We just won a suit in the Federal courts which opened the system up to us to go in for solicitation, which was drawn out over a 5-year process. Even in light of that we have not received the support and advocacy of OMB. And I would think it would be incumbent upon this committee to advocate on our behalf, to say that this is something that must be supported and not just accepted as a stepchild, but really must be implanted into the system as a partner. Because there are millions and millions of dollars that can be received by inner cities and minority communities just from that vehicle alone, which in itself takes a tremendous strain off the Federal Government. Not that I believe there is a strain.

Mr. Dymally. Could you forward to this committee by way of my office a copy of that lawsuit?

Mr. Bakewell. Yes, sir, I will.

Mr. Dymally. And the decision of the court—so we can enter it into the record and communicate to OMB the decision.

Mr. Bakewell. Yes, I will.

[The information follows:]

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

NATIONAL BLACK UNITED FUND, INC., :
Plaintiff, :
v. : Civil Action No. 76-1431
ALAN K. CAMPBELL, Director, :
United States Office of Personnel
Management, :
Defendant, :
and :
UNITED WAY OF AMERICA, :
Defendant-Intervenor. :

FILED
JUL - 1 1980
JAMES F. DAVEY, Clerk

## JUDGMENT AND ORDER

In accordance with the Memorandum Opinion entered this date, it is this 1st day of July, 1980,

ORDERED that the motions of the defendant Office of Personnel Management and the defendant-intervenor United Way of America, Inc. for summary judgment are denied, and the motion of the plaintiff National Black United Fund for summary judgment is granted and judgment is entered for plaintiff against the defendant; and it is

FURTHER ORDERED that judgment is entered in favor of plaintif and against the defendant, declaring that the defendant's interpretation and application of sections 5.24 and 5.34 of the Manual violated the plaintiff's First Amendment and Fifth Amendment rights; and it is

FURTHER ORDERED that upon the plaintiff's submission of a current application for participation in the Combined Federal Campaign as a national voluntary organization, the defendant shall act forthwith upon that application in accordance with the provisions of the Court's Memorandum Opinion of this date and this Judgment and Order; and it is

FURTHER ORDERED that the Court retains jurisdiction to effectuate this Judgment and Order.

Barrington D. Parker
Barrington D. Parker
United States District Judge

## MEMORANDUM OPINION

Barrington D. Parker, District Judge:

In this proceeding the National Black United Fund (NBUF) challenges the eligibility criteria employed and the manner in which they were applied in denying its application to participate in the Combined Federal Campaign (Combined Campaign or Campaign), alleging principally that rights guaranteed by the First and Fifth Amendment to the United States Constitution have been violated. Plaintiff NBUF, a national voluntary welfare organization, applied to the United States Civil Service Commission seeking to participate in the Combined Campaign, an on-the-job solicitation directed at federal government employees by charitable organizations. The Chairman of the Civil Service Commission was responsible for regulating the solicitation. When its application was rejected the NBUF filed this suit against the Chairman.*/

The plaintiff seeks appropriate declaratory and injunctive relief. More specifically, NBUF seeks an order directing that it be allowed full opportunity to participate in the Combined Federal Campaign as a national voluntary agency. Earlier in this proceeding NBUF sought a preliminary injunction enjoining any Combined Campaign activities pending the final resolution of this action. That application was denied. In the course of this litigation, United Way of America, Inc. (United Way) which opposed NBUF's efforts to participate in the Combined Campaign was granted permission to intervene as defendant-intervenor. United Way is a national voluntary agency which assists united or federated fund-raising efforts of local charities. It has participated extensive: in the formulation of the policy and the organization of the Combined Campaign.

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*/ With the abolition of the Civil Service Commission, the Chairman's functions were transferred to the Office of Personnel Management. Reorganization Plan No. 2 of 1978, § 102, 43 Fed. Reg. 36037; Civil Service Reform Act of 1978, Pub. L. No. 95-454, 92 Stat. 1111. The Office of Personnel Management is substituted as party defendant, Rule 25, Fed. R. Civ. P.

Presently before the Court are cross-motions for summary judgment filed by the NBUF, defendant and the defendant-intervenor. In support of the NBUF motion _amici_ briefs were submitted by several national organizations: National Council of the Churches of Christ in the U.S.A.; National Convocation of the Christian Church; National Committee for Responsive Philanthropy; National Organization of Women Legal Defense and Education Fund, Inc.; NAACP Legal Defense and Educational Fund, Inc.; and IMAGE, an organization of Hispanics employed by federal, state and local governments.

The memoranda of law submitted by the parties and by _amici curiae_, the administrative record, affidavits, and other relevant data[*] have been considered and this Court determines that the defendants' motion for summary judgment should be denied and the plaintiff's motion should be granted. The National Black United Fund is entitled to appropriate relief and its application to participate in the Combined Federal Campaign as a national voluntary agency should be considered by the defendant, in a manner consistent with the conclusions set forth in this opinion.

## I.

## FACTUAL BACKGROUND

The material undisputed facts are as follows. In 1961, responding to the burden imposed by the increasing number of fund-raising drives directed toward federal employees, President Kennedy established a mechanism for the solicitation of charitable donations within the federal workplace. In Executive Order 10927[**] the President delegated authority to arrange for such solicitations to the Chairman of the Civil Service Commission. The Chairman was authorized to carry out the Order in such a manner as to "permit true voluntary giving," and empowered to:

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[*] _See_ e.g. _Hearings on the Combined Federal Campaign Before the Subcomm. on the Civil Service of the House Comm. on Post Office and Civil Service_, 96th Cong., 1st Sess. (October 11-19, 1979).

[**] The Executive Order was issued on March 18, 1961. The full text is set forth in Appendix A.

> make arrangements for such national voluntary health and welfare agencies and such other national voluntary agencies as may be appropriate to solicit funds from Federal employees and members of the armed forces at their places of employment or duty stations.

E.O. 10927 at § 2(a). He was also authorized to consult with appropriate persons in the government and the charitable organizations for advice in fulfilling his task. Id. at § 2(b).

### A. The Combined Federal Campaign

Pursuant to this executive mandate, the Chairman instituted the Combined Campaign--a unified annual solicitation drive. Organization of a campaign incorporating all solicitations by national health and welfare agencies as well as international organizations into a single mechanism was an endeavor of great proportions. In carrying out the executive directive, the Chairman established three auxiliary bodies to aid him: an Advisory Council, an Eligibility Committee and a Policy Committee.

The Advisory Council was responsible for assisting in the development of policies, procedures and eligibility requirements.*/ The Council, purportedly representative of the voluntary agencies participating in the federal program, assisted in the development of a Manual on Fund Raising Within the Federal Service for Voluntary Health and Welfare Agencies (Manual). It also helped promulgate eligibility guidelines and establish operating mechanisms for the solicitation of federal employees by charitable organizations. While challenged by the defendants, the plaintiff claims that the formation of the Advisory Council initiated a practice of dominance by United Way in the Combined Campaign. The Chairman set aside one of the four positions on the Advisory Council for the president of the United Way on a continuing basis. The other three positions were filled by the president of the Red Cross, a national voluntary health agency, and, on a rotating basis, the presidents of a participating international agency and a participating national health agency. It appears clear that from the outset, United Way was the presumed representative of national welfare organizations and, as a matter of practice throughout most of the history of the Combined Campaign, welfare agencies could join in the Campaign only through affiliation with United Way's national network.

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*/ The Advisory Council has since been abolished but only after the Manual and Combined Campaign mechanisms were in place.

The Policy Committee is appointed by the Chairman and provides him with direct working participation in the development of the Combined Campaign. It consists of fund-raising coordinators from the government agencies and representatives of the largest employee organizations. The Committee acts through general meetings and ad hoc working committees as required.

The Eligibility Committee makes recommendations to the Chairman on applications from national voluntary agencies; reviews and modifies eligibility standards and requirements as needed; and submits periodic reports to the Chairman as required. The Committee membership includes representatives of federal agencies and employee organizations chosen by the Chairman from the membership of the Policy Committee.

As a matter of policy and practice, federal employees are permitted to spend substantial amounts of on-the-job time in connection with the Combined Campaign, serving on the various committees and working within their agency. In addition, the government bears the expense of maintaining the accounting and financial records associated with the payroll deduction method of contribution and remits the contributions to the participating charities. For the participating charities, the Combined Campaign is an efficient and inexpensive method of obtaining contributions and the government's assistance and efforts represent a substantial federal subsidy.

## B. Application of National Black United Fund

The NBUF has been designated a "public charity" under the Internal Revenue Code. As a national voluntary organization and through its affiliates, it seeks to eliminate prejudice and discrimination, reduce neighborhood tensions, relieve the poor and underprivileged and combat community deterioration. It questions and challenges the approach of the United Way and other old-line charities and national voluntary agencies as being unresponsive to the primary needs and concerns of minorities. NBUF regards those agencies as inflexible in their approach to the present problems of the black minority. Thus, in attempting to overcome what was perceived to be a deficiency, the NBUF sought to develop resources and leadership within the minority community itself. Its program objectives are focused in such areas as community economic development, job training and job referral, housing, voter education, community organization and community sponsorship of health, cultural, recreational and charitable activities.

In accordance with the procedure outlined in the Manual, NBUF submitted, in early 1976, an application to the Civil Service Chairman seeking designation as a national voluntary welfare agency. By this means plaintiff sought recognition on its own merits as an independent agency rather than through affiliation with United Way. The application included information on its board of directors and its local chapters. Also included were the relevant required financial information as well as sociological studies and demographic information documenting NBUF's claim that it served a target population which, by virtue of its scope, was not located in all states. Endorsements of the application came from members of Congress and prominent citizens.

The plaintiff's efforts to participate directly in the Combined Campaign were rejected. The rejection was based upon an adverse recommendation by the Eligibility Committee and an independent review by the Chairman that NBUF was not sufficiently national in scope and that its administrative expenses were unreasonably high. In rejecting the application, the Chairman suggested that NBUF negotiate with the United Way to receive funds on the local level as part of a federated fund-raising group activity as opposed to seeking recognition as a national organization. NBUF contended it was a national voluntary agency and sought recognition as such. Viewing a second rejection by the Chairman as a final decision, NBUF sought judicial intervention.

During the pendency of this suit, plaintiff reapplied for recognition as a national voluntary agency for participation in the 1977 Combined Campaign. That request was denied and plaintiff has not applied for participation in subsequent annual campaigns.

## C. Eligibility Criteria

Section 5.1 of the Manual requires that the Chairman establish eligibility criteria for a threefold purpose, to insure that:

> a) Only responsible and worthy voluntary agencies are permitted to solicit on the job in Federal installations,
> b) The funds contributed by Federal personnel will be used effectively for the announced purposes of the soliciting agency, and,
> c) All recognized national agencies have field organizations capable of participating equitably in the joint campaign arrangements required by the Federal program.

To effectuate this mandate a number of specific requirements were promulgated, only two of which were relied upon by the Chairman in rejecting the NBUF.[*] The first is the National Scope requirement, Section 5.24, which provides criteria for determining that an applicant is a national voluntary agency. The second is the Administrative and Fund-Raising Expense requirement, Section 5.34, which provides guidelines for ascertaining that an applicant is a "responsible and worthy voluntary agency."

The two eligibility requirements were recently amended in April of this year.[**] NBUF's application was governed by the requirements in effect at the time it was filed.

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[*] The relevant texts of the two requirements are set out at pages 14 and 16, *infra*.

[**] 45 Fed. Reg. 24955, April 11, 1980.

The National Scope requirement operative at the time of plaintiff's application mandated that an applicant demonstrate that it was "organized on a national scale . . . [and had] earned good will and acceptability throughout the United States." Plaintiff had only 13 chapters, a representation considered insufficient by the Chairman.

The Administrative and Fund-Raising Expense requirement provided that such expenses "must be reasonable" and that those not exceeding 25% of total support and revenue would be so considered. Where expenses exceeded that percentage the burden was on the organization to demonstrate the reasonableness of its expenses.[*]

## II. LEGAL ANALYSIS

### Introduction

The NBUF alleges that the Chairman's decision and the eligibility rules upon which that decision is based violate the First Amendment, the Due Process Clause of the Fifth Amendment and the Administrative Procedure Act (APA), 5 U.S.C. § 701, *et seq*. Plaintiff raises a number of serious questions concerning the operation of the Combined Campaign.[**] The manner in which one charity, United Way, has dominated a federal program is, indeed, quite troubling. However, of greater concern to this Court is the violation of plaintiff's First Amendment rights by virtue of the overbroad application of the eligibility criteria as applied by the Chairman.

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[*] Section 5.34 of the regulation was amended in view of Village of Schaumburg v. Citizens for a Better Environment, 100 S. Ct. 826 (1980). The decision is discussed at 9 *infra*.

[**] Plaintiff's contention that the *establishment* of the Combined Campaign itself is violative of the Constitution because it resulted from an improper delegation of authority is without merit. See United Black Fund v. Hampton, 352 F. Supp. 898, 903 (D.D.C. 1972)(delegation of authority to establish and administer Combined Campaign upheld).

Essentially, the plaintiff contends that the national in scope requirement is discriminatory as applied. NBUF serves a minority-beneficiary population and it is an established fact that a significant number of blacks are not found in every state. While the requirement allows for compliance by a number of alternative methods, the Chairman focused on the location of local chapters to the exclusion of other criteria.

As to the expense requirement, while it does not establish the 25% ceiling as an absolute cut-off point, the Chairman applied it as such without inquiring into the particular circumstances of the NBUF. The Chairman first stated that the Manual provides "that to be eligible for participation an agency's administrative and fund-raising costs should not exceed 25% of total income." However, in later correspondence he explained that the requirement was applied with "some flexibility," finding, however, that NBUF's costs were "significantly higher than the allowed percentage and . . . [were] considered unacceptable, even for a new organization."*/ NBUF contends that, as applied by the defendant, the administrative expense requirement rests on an irrebuttable presumption that a charity with costs above 25% cannot be fiscally responsible and therefore cannot withstand a due process challenge.

In sections A and B, which follow immediately, the constitutional issues will be discussed. Section C includes an analysis of the two requirements and the manner in which they were applied by the Chairman in denying plaintiff's application.

## A. The Constitutionality of the Eligibility Criteria

Prior to the establishment of the Combined Campaign, numerous charitable agencies conducted solicitations of federal employees at their workplace with little government intervention. Section 1.1 of the Manual noted that, "[i]t has long been Government policy to cooperate with and assist voluntary health and welfare agencies to solicit funds for worthy causes from Federal personnel." In response to and because of the administrative burden imposed by the multiplicity of appeals, the Combined Campaign was established. Thus the government had provided an opportunity for solicitation all along but imposed restrictions on access to that forum to reduce the administrative burden and to ensure the "worthiness" of the solicitors. However, NBUF was denied access to the Campaign because of those restrictions.

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*/ Letters from Chairman, Civil Service Commission, to NBUF, April 29 and June 24, 1976, AR at 121-22 and 1-2.

Through the Combined Federal Campaign the government has afforded a forum and platform where national voluntary agencies may advance their causes before federal employees and solicit for financial contributions. As a practical matter the Campaign is an advertising and sales campaign directed to government employees urging them to give financial support to a designated group of national charities. This solicitation is in effect a type of speech supported by the government. Likewise, a donation to these charities is an expression of and reflects the interest and preferences of the donor government employee.

Viewed in light of recent rulings there can be little dispute that the Combined Campaign involves First Amendment activities and that high standards of precision and specificity are required and necessary when such fundamental rights are involved. Hynes v. Mayor of Oradell, 425 U.S. 610 (1976). And, "[w]here a government restricts the speech of a private person, the state action may be sustained only if the government can show that the regulation is a precisely drawn means of serving a compelling state interest." Consolidated Edison Company of New York, Inc. v. Public Service Commission of New York, 48 U.S.L.W. 4776, 4778 (June 20, 1980)(the barring of an electric utility's use of bill-inserts to promote its position on controversial issues of public policy infringes on freedom of speech).

The recent decision of the Supreme Court in Village of Schaumburg v. Citizens for a Better Environment, 100

S.Ct. 826 (1980) is dispositive of the First Amendment question here presented. Schaumburg involved an ordinance prohibiting door-to-door or on-street solicitation of contributions by charitable organizations that do not use at least 75% of their receipts for "charitable purposes," such purposes being defined to exclude all administrative expenses. A non-profit environmental protection organization was denied a solicitation permit because it could not meet the 75% requirement. Citizens for a Better Environment incurred greater expenses than traditional charities because it used paid solicitors who also functioned as advocates of the organization's cause. The solicitors' salaries were considered "administrative expenses." The Supreme Court held that the ordinance in question was unconstitutionally overbroad in violation of the First and Fourteenth Amendments. The decision rested on a finding that charitable appeals for funds, on the street or door-to-door, involve a variety of speech interests--communication of information, dissemination and propagation of views and ideas, and advocacy of causes--that are within the First Amendment's protection.*/ The Court found that while soliciting financial support is subject to reasonable regulation, such regulation must give due regard to the reality that charitable solicitation is well within the purview of First Amendment activity.

It follows that once the government has created a forum and platform where First Amendment rights may be exercised, it must be an open forum, accessible to all on an equal basis.*/ Carey v. Brown, 48 U.S.L.W. 4756 (June 20, 1980)(law which bars all picketing of residences but exempts picketing when related to labor disputes discriminates among speech-related activities on basis of content in violation of Constitution); Police Department of Chicago v. Mosley, 408 U.S. 92, 96 (1972) (ordinance barring picketing near schools but exempting picketing relating to labor disputes makes impermissible distinction between speech-related activities in violation of Constitution); Williams v. Rhodes, 393 U.S. 23 (1968)(voiding a statute that gave established political parties a decided advantage over newly organized parties--thus placing unequal burdens on the right to associate).

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*/ Defendant and defendant-intervenor contend that this case does not involve the First Amendment conduct addressed in Schaumburg. The Court is not persuaded by their reliance upon Cafeteria & Restaurant Workers Union, Local 473, AFL-CIO v. McElroy, 367 U.S. 886 (1961), for the proposition that the federal workplace is amenable to the restraints involved in this case. First, Cafeteria Workers dealt with the question of security on a militar installation, a situation clearly distinguishable from the case at bar. More important, however, is the purpose of the Combined Campaign and the form of relief requested by NBUF. The summary exclusion of a civilian employee from a military base cannot be the basis for denial of access to a forum for the espousal of speech where such a forum is provided.

### B. Constitutionally Permissible Regulation

Although regulation of activity in the federal workplace geared to "efficacious administration of governmental programs is not without some importance . . . 'administrative convenience' is not a shibboleth, the mere recitation of which dictates constitutionality." Frontiero v. Richardson, 411 U.S. 677, 690 (1972). Constitutionally permissible regulation which imposes limitations on First Amendmen protected speech must fall within one of three areas: 1) reasonable time, place or manner restrictions; 2) permissible subject-matter regulation; or 3) a narrowly tailored means of serving a compelling state interest. Consolidated Edison, 48 U.S.L.W. at 4777.

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*/ This case involves equal access to a forum, unlike Lehm v. City of Shaker Heights, 418 U.S. 298 (1974) upon which defendar rely. In Lehman, plaintiff sought to advertise for his politica campaign on city transit busses. The denial of his request was upheld by the Court on the grounds that the denial of all politi advertising was a business decision made by the government in it proprietary capacity. The analysis undertaken by the Court reflects the clear differentiation between the facts in Lehman and the case at bar. Lehman necessarily involved a question of "gua teed access" when the city banned all political advertisements i the transit system because the nature of the system as a busine venture with a captive audience belied Lehman's contention that system constituted a public forum. On the other hand, NBUF presents the Court not with a question of guaranteed access to a forum denied to all, across-the-board, but rather, of equal acc to solicit within the federal workplace where such solicitation permissible and a First Amendment forum is provided.

Defendants contend the regulations here fall into the third category. However, the broad application of these regulations belies this contention. In this instance, the regulation must be drawn with "narrow specificity," *Hynes v. Mayor of Oradell*, 425 U.S. at 620, and *applied* narrowly to serve the proper governmental interest in confining solicitation privileges to "worthy," "national" agencies without "interfering with First Amendment freedoms." *Id.*

Such narrow application should serve to avoid another problem made particularly clear by United Way. On page 5 of its opposition to plaintiff's motion for summary judgment United Way states:

> [O]n-the-job solicitations of Federal employees should not be a testing ground for new and unproven charitable organizations but should be confined to organizations that have first demonstrated substantial public support through fundraising success other than through the CFC and an acceptable level of efficiency in providing direct services to persons served.

If in fact the Chairman and the Eligibility Committee were pursuing this course in denying admission to NBUF, and from every indication they were, then there was indeed a clear First Amendment violation. As Justice Marshall stated in *Police Department of Chicago*, *supra*, 408 U.S. at 96:

> [U]nder the . . . First Amendment itself, government may not grant the use of a forum to people whose views it finds acceptable, but deny use to those wishing to express less favored or more controversial views. *And it may not select which issues are worth discussing or debating in public facilities.* There is an "equality of status in the field of ideas," and *government must afford all points of view an opportunity to be heard*. (Citation omitted.)(Emphasis added.)

*See also* *Carey v. Brown*, 48 U.S.L.W. at 4757. The regulation mus ensure that individuals are not empowered with determining the "worthiness" of a particular cause. *Cantwell v. Connecticut*, 31 U.S. 296 (1940).

Defendants posit two possible alternatives to NBUF's participation in the Combined Campaign: secure employee contributions through solicitations in the lobby of the particular government agency, or, participate as an affiliate of the United Way. The proposed alternatives are not acceptable. Lobby solicitations were recognized as inadequate and unsatisfactory by the government some time ago. Additionally, payroll deductions are not available to an organization which solicits in lobby campaigns. As to affiliation with the United Way the plaintiff contends that such a move would be counter-productive to its goals and purposes. NBUF advances the argument--which has considerable merit--that its goals, priorities and emphasis are focused on programs designed to combat prejudice and discrimination, whereas the United Way's emphasis is upon old-line organizations and programs which, although of unquestionable merit and worth, fail to address and concern the basic and central economic and social problems ever present in a minority community. Beyond that, the plaintiff correctly points out that the important legal question is whether the alternatives are "effective," *Healey v. Jones*, 406 U.S. 169, 181-183 (1972), which in this case they are not.

Furthermore, the fact that NBUF may utilize lobby solicitations or affiliate with United Way cannot justify a curtailment or denial of its advocacy and quest for charitable funds through the Combined Campaign. *See* *Southeastern Promotions Ltd. v. Conrad*, 420 U.S. 546, 556 (1975); *Spence v. Washington*, 418 U.S. 405 (1974); *Schneider v. State*, 308 U.S. 147 (1939).

## C. The National in Scope and the Expense Requirements

### 1. National Scope

The plaintiff's argument that the national in scope requirement as interpreted and applied violates the Due Process Clause of the Fifth Amendment and the First Amendment is not, as suggested by the defendants, entirely without substance.

Executive Order 10927 and the Combined Federal Campaign grew out of several legitimate governmental concerns, namely, to protect federal employees from coercive solicitation practices, and to limit the number and duration of charitable solicitations on government time.

> Executive Order 10927 and its predecessor, Executive Order 10728, were designed to bring order into a chaotic fund-raising situation within the Federal Government. Prior to these Orders, many individual charitable organizations were soliciting in Federal installations at many different times during the year. These agencies met no particular standards of integrity or financial or program accountability. It was considered necessary, therefore, to develop a system under which solicitations could be conducted with a minimum interruption of Government functions and to assure that the agencies allowed solicitation privileges met reasonable standards of financial and program integrity and accountability. */

Section 5.24 of the Manual requires that a voluntary agency in order to participate in the campaign as a national voluntary agency must demonstrate that

* * *

> a. It is organized on a national scale with a national association which is representative of its constituent parts and which, through its board of directors, exercises close supervision over the operations and fund-raising policy of any local chapters or affiliates.
>
> b. [It has] earned good will and acceptability throughout the United States, particularly in cities or communities within which or nearby are Federal offices or installations with large numbers of personnel.
>
> Good will and acceptability will usually be shown by operating chapters providing service in all or most of the states, with contributor support from all or most parts of the nation. Good will and acceptability throughout the United States will also be demonstrated by other means, such as the extent of support received from the public, the number and location of contributors, the national character of campaigning directed to the public, the reputation of the organization on a national basis, and the proportionate effect on total income of the organization's participation in the Federal program. In the case of international agencies, chapter or affiliate coverage in all or most states need not exist. **/

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*/ Affidavit of George J. McQuoid, Executive Director of and Assistant to the Chairman of the Civil Service Commission, August 24, 1976.

**/ The 1980 Amendments do not change the operative language of this section. See 45 Fed. Reg. 24959-60.

The purpose behind Section 5.24 is to ensure that "only reasonable and worthy voluntary agencies are permitted to solicit on the job in Federal installations." The Chairman interpreted the requirement to mean that in order to qualify for participation an organization must maintain chapters in all or nearly all states. Because the NBUF did not maintain chapters in every city where there was a federal agency, its application was rejected by the Chairman. Rejection on that basis can scarcely escape the challenge that it unlawfully and impermissively discriminated against the NBUF on the basis of race. Based on well known and undisputed demographic facts, the black population is unevenly distributed and it is impossible for NBUF to have a chapter in all, or even a majority, of the states. The same would be true of the American Indian, Hispanic, East Asian or any other minority ethnic organization concerned with issues similar to those of the plaintiff. Suc organizations could never demonstrate goodwill, and general acceptability throughout, carry on a nationwide program or otherwise qualify for participation because those minorities, like blacks, are concentrated in only a few cities and states.

The Chairman's limited interpretation and focus on the national in scope requirement also failed to acknowledge and to credit other factors which he was obligated to recognize in determining the acceptability and worth of the NBUF. Section 5.24 for example recognizes the extent of the organization's public support, the number and location of contributors, the national reputation of the organization. The Chairman only relied upon th number and location of local chapters. While other data to suppo the extent and scope of its nationwide operations were submitted, there is no indication that they were given proper consideration. Since the reasons advanced by the Chairman do not comport with th established and declared standards and criteria, the rejection of the NBUF application cannot be sustained. *See* *Camp v. Pitts*, 411 U.S. 138, 143 (1972); *SEC v. Chenery*, 332 U.S. 194, 197 (1947)

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*/ The denial of plaintiff's application is contrary to the evidenc and violates the Administrative Procedure Act, 5 U.S.C. § 706(2)(A)(B).

The National Scope requirement is acceptable as written. However, as interpreted and applied, the requirement was arbitrary, unreasonable, unduly restrictive and bore no rational relation to any legitimate interest and served to discriminate against the NBUF, a new organization, in favor of more established charities. The Fifth Amendment proscribes such discrimination and also protects the plaintiff's interest in participating in the Combined Federal Campaign. The Constitution protects not only rights which a person presently has in hand but also those rights which a person is entitled to possess. See Goldberg v. Kelly, 397 U.S. 254 (1970); see also Board of Regents v. Roth, 408 U.S. 564, 577 (1972). And once a benefit has been made available by the government it must be made available to all under like circumstances. See Bell v. Burson 402 U.S. 535 (1971); Shapiro v. Thompson 394 U.S. 618 (1969).

## 2. Administrative and Fund-Raising Expense

Section 5.34 of the Manual provides in part that:

> . . . Expenditure for administration and fund raising not exceeding 25% of total support and revenue will be considered reasonable. Where . . . expense exceeds this percentage, the burden is on the voluntary organization to demonstrate the reasonableness of its . . . expenses under all the circumstances in its case. */

As noted, the administrative expense requirement establishes a presumption which is explicitly rebuttable, placing the burden on the applicant "to demonstrate the reasonableness" of its expenses. However, as applied, the requirement has served to

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*/ As amended, § 5.34 still establishes a presumption of reasonableness at the 25% level of expenses. However, the amendme sets forth "[c]ircumstances which could demonstrate the reasonab ness of administrative and fund-raising expenses" which are in excess of 25%, particularly:

> a. Newly established agencies which can demonstrate the likelihood of reducing their administrative and fund-raising expenses to a reasonable level within a reasonable period.
> b. Older agencies which can demonstrate that the impact of CFC contributions on their administrative and fund-raising costs is likely to bring those expenses to within a reasonable level.

45 Fed. Reg. 24952, 24960. According to the amendment, the above list is illustrative rath than inclusive.

preclude participation in the Combined Campaign by agencies with expenses which exceed 25% by any but a negligible amount.*/ Thus, although valid on its face, the requirement is applied in a manner which sweeps quite broadly, precluding participation by organizations well within the proper purpose of the Combined Campaign. This practice served to exclude the plaintiff arbitrarily. As noted in Schaumburg, while a 25% limitation was enforceable against "more traditional charities," an identifiable class of organizations exists as to which such a limitation would be "an unjustified infringement of the First and Fourteenth Amendements." Id. at 835-36. NBUF is within that class.

While it is undisputed that regulation of solicitation serves legitimate interests of the government in "preventing fraud," Id. at 836, the practice of establishing a cut-off at the 25% level of the expenses versus total income cannot stand. The government's contention that the requirement serves only as a guideline is contrary to the evidence. While a 25% guideline is permissible where applicants may show that expenses in excess of the guideline are reasonable, National Foundation v. Forth Worth, 415 F.2d 41 (5th Cir. 1969), cert. denied, 396 U.S. 1040 (1970), it is clear that such is not the practice here.**/ The Citizens-plaintiff in Schaumburg claimed that because of the nature of their organization and its role as an advocate, it necessarily incurred greater expenses than a traditional charity. So too, NBUF contends that for a number of reasons--the expense of soliciting from minority populations and the additional expenses incurred during the initial phases of the establishment of a network of local charitable agencies providing direct services to local communities in non-traditional as well as traditional charitable areas--it also will spend greater amounts on administrative expenses than would a charity which only dispenses services directly to the needy.

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*/ For example, in its March 1976 Report, the Committee on Eligibility recommended acceptance of applications from two organizations with expenses in excess of 25%, namely, the March of Dimes which spent 26.9% on administrative and fund-raising expenses and the Arthritis Foundation with expenses of 27.7% of total income. Such acceptance was recommended with the caveat that expenses should be lowered or future applications may be denied. AR at 326. In its April 1976 Report, the Committee approved the two applications stating that although their expenditures "are slightly higher than the 25% limit" the applications should be approved, but that "if they do not meet the criteria next year, appropriate consideration will be given by the Committee to a recommendation for nonrenewal of fund-raising privileges." (Emphasis added.)

**/ The recent amendment does not alter this analysis. Rather, it illustrates that, while organizations may be admitted to the Combined Campaign notwithstanding excess expenditures, future participation will depend upon a reduction of expenses to within the 25% limit. This amendment merely codifies what is apparently a long standing practice. Said practice is precisely the activity before this Court for review. See footnote and accompanying text at 6 supra.

Given the plaintiff's Fifth Amendment interest and the First Amendment activity involved, the Chairman's application of the 25% "guideline" as an irrebuttable presumption violates the Due Process Clause of the Fifth Amendment. It is clear from the evidence presented that expenses in excess of 25% may indeed be reasonable Thus, the Chairman's application of a presumption which is not "necessarily or universally true in fact," Vlandis v. Kline, 412 U.S. 441, 452 (1973), infringes upon the First Amendment rights of the charitable organizations subjected to that presumption and violates the Due Process Clause of the Fifth Amendment.

## CONCLUSION

Denial of the National Black United Fund's application to participate in the Combined Federal Campaign was improper and contrary to law. Although the applicable portions of the Manua have been amended since defendant's denial of plaintiff's appli tion, those amendments would not necessarily require a differen result than was reached by the Chairman here. Essentially the same criteria govern the National Scope determination (Section 5.24 of the Manual) and, while an organization with administrat expenses in excess of 25% may be admitted under the amended Fu Raising Expense requirement, that percentage is still the maxi considered to be "reasonable." 45 Fed. Reg. 24960. The Court this presumption invalid.

The eligibility requirements for participation in the Combined Campaign, as interpreted and applied, violated the First and Fifth Amendment rights of the National Black United Fund. The Fund is entitled to appropriate declaratory or injunctive relief. An appropriate judgment and order will be entered consistent with the findings and conclusions set forth in this Memorandum Opinion.

July 1, 1980

Barrington D. Parker

Barrington D. Parker
United States District Judge

Appendix A

CA. 76-1431

FILED

JUL 1 1980

JAMES F. DAVEY, Clerk

## EXECUTIVE ORDER
## 10927

# ABOLISHING THE PRESIDENT'S COMMITTEE ON FUND-RAISING WITHIN THE FEDERAL SERVICE AND PROVIDING FOR THE CONDUCT OF FUND-RAISING ACTIVITIES

By virtue of the authority vested in me as President of the United States, it is ordered as follows:

Section 1. The President's Committee on Fund-Raising Within the Federal Service, established by Executive Order No. 10728 of September 6, 1957, is hereby abolished, and that order is hereby revoked.

Section 2. (a) The Chairman of the Civil Service Commission shall make arrangements for such national voluntary health and welfare agencies and such other national voluntary agencies as may be appropriate to solicit funds from Federal employees and members of the armed forces at their places of employment or duty stations.

(b) In making the arrangements required by subsection (a) of this section, the Chairman of the Civil Service Commission is authorized to consult with appropriate interested persons and organizations, the national voluntary agencies, and the executive departments and agencies concerned. Such arrangements shall (1) permit true voluntary giving and reserve to the individual the option of disclosing his gift or keeping it confidential; (2) designate specific periods during which solicitations may be conducted; and (3) provide for not more than three solicitations annually, except in cases of emergency or disaster appeals for which specific provision may be made by the Chairman of the Civil Service Commission.

Section 3. This order shall not apply to solicitations conducted by organizations composed of civilian employees or members of the armed forces among their own members for organizational support or for benefit or welfare funds for their members. Such solicitations shall be conducted under policies and procedures approved by the head of the department or agency concerned.

Section 4. All records and property of the President's Committee on Fund-Raising Within the Federal Service are hereby transferred to the Chairman of the Civil Service Commission.

Section 5. This order shall become effective forty-five days after its date.

THE WHITE HOUSE
March 18, 1961.

JOHN F. KENNEDY

Mr. **Dymally**. Miss Wright.

Ms. **Wright**. I was very interested in your comments regarding the incidental benefits to be derived by a community from Federal funds, the banking benefits and so forth. There are some Federal programs that have as their aim the development of businesses, minority banking, and so forth. I am wondering if you can comment on the success or failure of the programs that have been directed toward economic development as opposed to the more socially oriented programs. It seems to me there are programs which encourage the use of minority vendors, the use of minority banks and so forth.

Mr. **Bakewell**. I think the programs that have maintained, for whatever reason, that as a focus and priority of its existence, are programs that you can find today as self-sustaining, and self-sufficient. I speak of programs, certainly of my own—the Brotherhood Crusade. I speak of programs such as WLCAC which is a program operating in the black community which has an independent ability to support itself. It has been through those means that these things have come about, because the focus has been on economic development, and the ethic has always been one that says when you put out dollars, you must always look for the return that you get on those dollars—which is quite the contrary to the way the Government has structured the dissemination and evaporation of the dollars allocated for social programs.

I call to your attention, and I think this can be borne out, as a criteria for receiving funds through the antipoverty program, if you were allocated $100,000 one year and you came back and were cost-efficient, and only spent $90,000 and got the job done, next year you would be allocated $85,000 rather than $125,000. It is contrary to every business ethic throughout the country. Yet that has been done. So consequently you find people who have been managerially proficient at the last hour were spending money like it was going out of style in order to get it out of their budget.

It is that kind of ethic that I think has been contrary to empowering our community—rather it has been a part of dissolving the community.

Mr. **Dymally**. For the record, WLCAC is Watts Labor Community Action Committee.

Ms. **Wright**. What about programs such as have been run through the Small Business Administration, other business-oriented agencies, Commerce Department, that encourage the use of minority vendors by Government contractors? I believe there are some programs that encourage the use of minority banks by groups receiving Federal funding.

Mr. **Bakewell**. I think there are programs. I think that is a very good point. One of the things that is dreadfully needed is that those programs are loosened up, if you will, and structured in such a way that they are not so bureaucratic in terms of allowing the small businessman to actually get a loan. I mean the process that one is put through, the ordeal that one is put through, in order to qualify to go through SBA, to deal with someone who is not adjusted to that system in the beginning, and to put him through that rigorous process has been demoralizing to at least 90 percent of the people who have applied. I think if you would research it, it would bear out that there has been since the twist was put in it, in terms of small businessmen, rather than minority businesses, that there has been more of a general population usage of those departments than a minority usage of those departments.

Ms. **Wright**. Thank you.

Mr. **Dymally**. Thank you very much, Mr. Bakewell.

Mr. Davis.

Mr. **Davis**. Since the inception of the poverty program there has been an ongoing critique of the managerial efficiency of inner-city communities. You had the dictum or the doctrine of maximum feasible participation—which some believe caused a lot of managerial malfeasance or misfeasance. How would you assess, since the period of the civil disorders of the 1960's, the developing strength of the managerial capacity of inner city communities? Is that infrastructure more developed now; stronger, and possibly no longer vulnerable to these kinds of changes?

Mr. **Bakewell**. It is absolutely unequivocally stronger. I am a product of the antipoverty program. Many people you saw who spoke to you today, and I saw the list, are products of the antipoverty program. Many of the people who sit in Congress today are products of the antipoverty program, whether they want to admit it or not. We had problems during that era of management. But it should not be looked upon as something that we initiated. I gave you a very cogent example of a managerial practice that was inflicted upon our community, that we had to respond to. It was nothing that we generated. So I would leave that question for you to answer based on the merits.

Mr. **Dymally**. Thank you very much.

Our next witness is Mr. Leland Wong.

## STATEMENT OF LELAND WONG, LOS ANGELES COUNTY YOUTH GANG PROJECT

Mr. **Wong**. Mr. Chairman and members of the committee, I am grateful for this opportunity afforded to the Asian/Pacific community of Los Angeles to testify before you.

The Asian/Pacific community in Los Angeles consists of approximately 14 square miles of midtown Los Angeles, developed urban land for the most part as it skirts the Hollywood Hills to the north and Baldwin Hills to the southwest, rising and falling only at its easterly portion surrounding Echo Park. Fairly dense by southern California standards, this pocket houses approximately 350,000 residents. With the exception of a small pocket immediately adjacent to the Wilshire Boulevard employment centers, the residents of this widespread community are low- and moderate-income people living in aging housing and facing the full range of urban problems.

An added burden is the large influx of new immigrants posing a challenge to public and private institutions alike. The immigrant population has literally changed the face of the community. Areas attempting to plan for senior citizens find themselves dealing with overcrowded elementary schools. The language, religion, and the ethnicity of the area has changed. What was a homogeneous Chinese community is now made up of many Asian populations. The challenge facing the city of Los Angeles is to respond in a rational, timely, and sensitive manner so as to quickly incorporate the new immigrants into the fabric of the city.

These are some of the many issues that bring the Asian/Pacific community of Los Angeles under public scrutiny:

One, social services in this area are generally "in shock" because of the large population influx and the lack of needed multilingual personnel.

The educational, health, and welfare services have been the first to feel this significant impact.

Lack of child care is a problem; children and youth services are exceptionally few since these areas until recently had a much higher age distribution. Social problems from a population undergoing severe stress can be anticipated—high unemployment, vulnerability to various unscrupulous operators, juvenile criminal activity, substance abuse, mental health problems, and family conflict.

Health-care access is limited by language barriers while mental health practitioners are culturally unfamiliar and even more underutilized. If the schools do not prepare the young immigrants as well as American-born for employment, problems will be compounded in 5 to 10 years. In the meantime, problems that existed before the influx continue, including needs for services to the elderly in all aspects of this large community.

Two, crime is a major issue throughout this section of Los Angeles, as it is citywide.

Three, the housing situation is old and deteriorating; rehabilitation is badly needed and overcrowding is increasing. Rental housing, comprising the vast majority of the community's housing stock, is in short supply. Affordable housing that is available to families with children is an especially critical problem, compounded in some areas by condominium conversions.

Four, the 1970 census recorded a population in this specific area to be 279,052. The Los Angeles City Planning Department estimates a 1978 population of 310,863, or an increase of 11 percent. This coincides with the impression that the area is experiencing population growth at a time when many inner cities are declining in population.

Since 1970, the population has not only grown, it has changed. The 1977 population, employment, and housing (PEH) survey conducted by the city of Los Angeles presented its findings by planning area, council district, and police divisions—the divisions broken down as follows: Hollywood, Rampart, and Wilshire.

In all three divisions, in both numbers and percentages, two trends are most significant: (*a*) An increase in youth population and decrease in elderly population; and (*b*) An increase in the nonwhite population and a decrease in the white population.

These changes are most pronounced in the Rampart division. Since 1970, Rampart experienced a 61-percent increase in the number of youths in the area at the same time it experienced a 94-percent increase in the number of Asians, estimated at 17.4 percent of the population. In the Hollywood division, the ethnic change is even more dramatic, although the numbers are smaller, with a 197-

percent increase in Asian population to 9.8 percent of the total and an increase in black population to 6.2 percent of the total.

Five, the employment situation in the Asian/Pacific community is serious, although it is very difficult to obtain sufficient exact figures—to substantiate the facts. Many people do submit active unemployment insurance claims. This is only a small portion of the problem, however, because many do not submit claims and because so much of the real difficulty is caused by underemployment, or employment in the most poor paying occupations. There is a large group of unskilled, non-English-speaking men whose employment opportunities are limited to being dishwashers, cooks, busboys, and grocery workers. These jobs are paid at the minimum wage level which simply does not enable them to support a family.

As you can see, this type of employment does not allow them to take advantage of the educational opportunities to learn English or to secure job training for better employment; thus they are caught trying to get enough money week by week to support the family. If the employment opportunities were greater, there would be a rise in living standards; this would make better conditions for the children to grow up in.

The Asian/Pacific community suffers from the general assumption that there is no real problem. Those of us who work and live in the community are aware they are very real and deep problems. The ones I have discussed are very real and serious, and a long-term contribution to the continuing poverty of the area.

Like any other minority community the Asian/Pacific community has its share of gang activity.

Specifically in the Asian/Pacific community, resources are very limited and, at the present time, youth of this community have been neglected. The delinquency problem has become accepted, largely due to the lack of alternatives to remedy the gang situation.

Both youth, American and foreign-born, demonstrate high percentage of gang activity. This is evident by the numerous reports from community newspapers as well as the delinquent activity that is functioning within the Asian/Pacific community.

First. Large usage of substances.

Second. Bodily harm caused by retaliation or gang violence.

Third. Lack of employment for youth.

Fourth. Lack of social alternatives.

Fifth. The educational system inadequately equipped to deal with foreign-born.

With both parents working long hours, they are not able to provide any supervision or guidance. As you can see, they are at the mercy of what little service is available in the community.

There are some things I want to mention.

I feel with the lack of social services and the lack of counseling for foreign-born to aid them in the assimilation process into the mainstream of society we are going to have a problem. I did not mention that we have a pocket of Southeast Asians in the community. Their mentality is they have been fighting bullets for 10, 12, 15 years. They have a different theory, a different way of life. They started moving into the Los Angeles Chinatown area where they were not accepted. Historically, Chinese and Vietnamese do not get along. This is a cultural barrier.

There is a gang called the Wa Chings in Los Angeles Chinatown. They are involved in extortion, contracts on individuals, underground gambling, different types of elements with the sophistication of organized criminal activity. They are recruiting newly arrived immigrants into their mainstream. This is largely due to the fact that once kids go to school, there is no orientation process for them. The school districts do not orient them to society. There is a language barrier, a cultural barrier. They are not assimilated. They have a different culture. The parents are working long hours. They are working as cooks in restaurants, working in sweatshops as garment factory workers, they work 12-hour days. There is no supervision at the homes.

In Chinatown itself there is one square block which is Alpine Playground. It is inadequate to deal with the population served in terms of youth coming to the neighborhood for recreation activities.

There is a lack of child care. There is a lack of employment. There are no programs for skills development for youth. There is no program to help educate them in terms of reading and writing.

The housing problem in the Los Angeles Asian/Pacific community is very serious. I feel grants should be allocated to the city in terms of building sufficient housing at reasonable cost.

In terms of health care, there are individuals from other countries who have proper credentials. I feel programs should be implemented to help them achieve the proper credentials here. If we can utilize their expertise I think this would have an impact in terms of providing services for the Asian/Pacific community.

I for a long time have been a strong advocate for youth. I presently work for the Los Angeles County Youth Gang Project.

Mr. DYMALLY. By whom are you funded?

Mr. WONG. By the county of Los Angeles.

Mr. DYMALLY. You are in jeopardy now, are you not?

Mr. WONG. We are not in jeopardy. We have some problems with our director. It is cleared up right now. We are receiving $1.3 million from the county for 1 year.

I have been a strong advocate for youth for many years now. Right now there are no youth programs in Los Angeles County or the city for the Asian/Pacific community. There are no constructive efforts to channel their energies into alternatives or something very constructive. No one is giving them direction or guidance. They are out in the streets gangbanging. They are mugging senior citizens. They are snatching their jewelry. There is extortion going on. They go up to merchants and tell them, "If you don't want your window broken, you pay us *x* amount of dollars a week, and you will be OK." These kind of activities are going on.

Behind all the neon lights that people see when they go to Chinatown—it is very glamorous. But deep inside it is a ghetto within itself. It is a very serious problem. It is being neglected right now.

This county program that was implemented does not have any jurisdiction within the city limits. The city has now decided to provide funds to implement a program. They have allocated money. Again the Asian concern has been neglected. Statistically we do not have enough dead bodies or drug pushers to create a program for us.

I feel this committee here should try to seek some Federal assistance to channel it down to the communities, within the Asian communities, direct it among programs that have been in existence, such as the service for Asian-American youth, those programs very limited in resources, and to help build them so they may provide adequate services for the youth in the community.

Again, I thank you for this opportunity.

Mr. DYMALLY. Mr. Wong, you are obviously very outspoken about some of the problems that are taking place in the Asian community. What is your rapport with the gangs?

Mr. WONG. I have very good rapport with them. I grew up in the community. I went through the same trips that they went through. But I was very fortunate. I took a sidestep. I went to school. I went with the EOP program. I graduated with a B.A. I was very fortunate. I was just one of the few who just made it. But within the area, it is hard to get out of it once you are in. How can you tell a youth to get in a summer work program or work for CETA when they are making $200 a night ripping a tape deck out of a car?

Mr. DYMALLY. Are not the brothers a little unhappy with you because you are rapping on them now?

Mr. WONG. I am trying to help them. Those who are there are a hardcore. There is nothing I can do for them. I am talking in terms of the young people influenced by them, those going through an identity crisis, the feeling that they have to feel accepted, to be somebody. They have no self-esteem. They want to be somebody. They see this gang, being a gang member is something special. They get recognition. They have friends. It is for survival. They help each other out. When they are not eating, they provide food for them.

Mr. DYMALLY. There are myths about the Asian/Pacific community. One of the myths many years ago was there was no gang violence. Was there some truth to that myth, that there was no gang violence 20 years ago, no delinquency?

Mr. WONG. There has been delinquency throughout the years. During the forties and fifties and sixties there has been gangs. But it has not been—they have not received the attention that these gangs have now.

The Black Wongs were in existence, the Buddha Bandits. They did not have the sophistication in terms of organized crime, they did not go out and extort from merchants. There was more ethics involved. You did not damage the community.

Now it is a little different. You have people coming from various countries who have no values within this society. Their values are different. In order to survive, they are going to do anything they can. They have heavy artillery. I really feel that we cannot reach those who have reached the limit of no return.

But in terms of those who are young, we can influence, I feel we should channel all our energies toward them.

Mr. DYMALLY. Where do they get the firearms?

Mr. WONG. If you have the money for it, you can get whatever you want on the streets. At one time Asian/Pacific people did not experience narcotics. Now they are into Quaaludes, reds, cocaine, freebasing, they smoke grass. Right now they are starting to smoke PCP. That is a very serious problem.

You were talking about a myth of stereotyping. People have this view of Asian Americans to be productive, no problems, we take care of our own. But there is a problem. Even though they do not go out and scream for help or seek welfare or public assistance, there is a problem. I mentioned before the unemployment rate. There are no facts to substantiate there is an unemployment problem because they do not document in terms of seeking claims. So there is a problem. They just do not seek help. They are isolating themselves within the community.

Mr. DYMALLY. Miss Wright.

Ms. WRIGHT. Have there been any attempts from within the community or from Government agencies or wherever to try to document the problem? In other words, finding the people who do not become a part of statistics because they are not out seeking work, but are nonetheless unemployed?

Mr. WONG. At the present time, right now, I have a copy of a case study made on employment. They have done a study on the unemployment problem, housing, the juvenile delinquency problem. It clearly defines what the problems are within the community itself. But there is an attempt being made right now.

Ms. WRIGHT. I believe you said there are no programs presently in existence which address the problems of assimilation of immigrants into the society and the educational problems. Are there any programs that are working, any programs that have been developed within the community or any federally funded programs at all that are working?

Mr. WONG. There is one that primarily deals with Indochinese refugees, the Indochinese Refugee Center. That is targeted to one specific group. But in terms of helping Chinese, Laotians, or Cambodians coming in it is limited.

There is a refugee act implemented by the Federal Government. If they are not classified as a refugee, they would not be able to obtain the assistance from that program.

Ms. WRIGHT. Have there been attempts by groups within the community to obtain funding for programs to identify the problem and seek some help?

Mr. WONG. Yes, there have been attempts made. Again, there are no statistics to back up the facts. Statistics are very limited within the Asian community. For some reason or other I do not know why this exists. But in terms of police statistics or crime statistics, to receive Federal assistance, we have no statistics. This has always been a problem as far as I can remember—even back in the 1960s this was a problem. This is the reason we always were neglected every time. We do not have the facts to substantiate that we do have a problem. But if you would like to take a ride with me into the community, I would like to show you this. Behind the neon lights there is a problem. You will see families living in houses, a house maybe with two bedrooms. You have four or five families living in the same household. To live in an apartment complex, two-bedroom unfurnished apartment in Los Angeles, it costs you over $300. This is not counting utilities. People's income is not adequate. They are receiving less than $7,000, $6,000 a year. I myself make far more than that and I have problems living. I just do not know how they make ends meet.

Ms. **Wright**. Thank you.

Mr. **Dymally**. Mr. Davis has a question.

Mr. **Davis**. Mr. Wong, is there any evidence that young people today who go into the peer gang are remaining there any longer today than they did in the past? By that I mean to say are they remaining in that lifestyle rather than moving into normal adult lifestyles at the age you would expect that to happen? Are they being trapped?

Mr. **Wong**. They are trapped. The age distribution for this activity is from 14 to 30 years old.

Mr. **Davis**. Do you know what the cutoff was in the past? What the age was?

Mr. **Wong**. When you get into these type of gangs, if it is organized, you cannot get out. That is rule 1. You cannot get out. Once you are in, you know too much, you know all the different types of things they have—there is no way out. Once you are in, you are in. That is the way it is. It is accepted. If you choose that way of life, you are going to have to live with it.

Mr. **Davis**. Do you attribute this to diminishing opportunities or just the pressure?

Mr. **Wong**. I would say there are opportunities out there, but I would say it is the peer pressure. When they lack the skills, the language barrier, the culture barrier, they are unable to compete for jobs. They cannot fill out a simple application for a job. They have no basic skills.

Mr. **Davis**. So the avenues of escape are fewer.

Mr. **Wong**. Right.

Mr. **Dymally**. Thank you very much, Mr. Wong. We appreciate your coming and your patience.

[The following material was submitted for the record:]

調整

**READJUSTING**

改進

**IMPROVING**

整頓

**CONSOLIDATING**

重建

**RESTRUCTURING**

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READJUSTING, IMPROVING, CONSOLIDATING and RESTRUCTURING is in Chinese script above. These aspects are common characteristics to all immigrants in their adjustments to their new environment, including the different ethnic groups comprising the majority of the population in the New Asia Corridor. From Business Week, May 21, 1980.

[Excerpts from the New Asia Corridor.]

# NEW ASIA CORRIDOR

# PLANNING AND REVITALIZATION PROGRAM

Prepared by:

PACIFIC ASIAN CONSORTIUM IN EMPLOYMENT
1851 S. Westmoreland Avenue
Los Angeles, CA 90006

Under a Grant from the City of Los Angeles Community Development Block Grant, including Portions of Council Districts 4, 10 and 13.

December, 1980

*Pacific Asian Consortium in Employment*
1851 South Westmoreland Avenue • Los Angeles, California 90006
(213) 748-8431

March 20, 1981

Mr. Douglas Ford, General Manager
Community Development Department
City of Los Angeles
215 West 6th Street
Los Angeles, CA 90014

Dear Mr. Ford:

We are pleased to submit the final report of the New Asia Corridor Planning and Revitalization Program, completed by the PACE Planning and Research Unit. This concludes one full year of comprehensive study.

Contrary to original thoughts, the community is much more complex and dynamic than superficial appearances might indicate. The study shows that the Corridor has experienced rapid change brought on by mass immigration from diverse ethnic and cultural groups. PACE has established a set of objectives to help meet the needs of the Corridor. Furthermore, PACE views its organization to be a Community Development Corporation committed to the concept of self-help and comprehensive development.

We are hopeful that this report will provide a useful resource on which to build, for PACE, for the City of Los Angeles, and for the people of the Corridor.

Sincerely,

Kerry N. Doi

KERRY N. DOI
Executive Director

KND/bml

## PACIFIC ASIAN CONSORTIUM IN EMPLOYMENT

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FALL 1979/SPRING 1980

# CHAPTER I

# AN INTRODUCTION TO THE NEW ASIA CORRIDOR PROGRAM

## CHAPTER I - AN INTRODUCTION TO THE NEW ASIA CORRIDOR PROGRAM

### 1.1 PACE and the New Asia Corridor Program

The Pacific Asian Consortium in Employment (PACE) is a community-based, non-profit organization originally founded in late 1974 through the efforts of a coalition of various Asian Community groups and individuals (Chinese, Japanese, Korean, Pilipino and Samoan). The coalition was concerned about the unmet needs for manpower services in the rapidly growing Pan-Asian communities in Los Angeles.

Through the sponsorship of another Asian Program, the Asian American Drug Abuse Program, PACE was initially funded in January, 1975 to operate a CETA Title I job training program for the City of Los Angeles. Since then, PACE's funding has grown more than tenfold, but PACE's target population has grown simultaneously. Starting with a CETA grant of $364,000, PACE now has an annual budget of approximately $4,000,000 from a wide range of public programs and, for the first-time, including private foundation funding in the 1980-1981 fiscal year.

In the course of providing employment services PACE learned that a more comprehensive approach is needed. If PACE's clients are to make a successful transition life in the U.S. and become a vital part of the Los Angeles community,attention must be given to the neighborhoods in which they live, the support services they need, and the economic development they depend upon. The desirability and indeed necessity of expanding PACE responsibilities to include overall community planning for social services, housing opportunities and economic development was stymied by the lack of adequate staffing or funding to create a soundly based program. An application to conduct comprehensive planning and research activities was submitted to the City of Los Angeles and ultimately resulted in the New Asia Corridor Planning and Revitalization Program. The Program has received the continuing support of the Council Members and their staffs representing the Corridor: Council President John Ferraro, District 4; Councilman Dave Cunningham, Chairman of the Grants Committee, District 10; and Councilwoman Peggy Stevenson, District 13.

An additional resource to the Program was the participation of an Integrative Laboratory Workshop, an element of the Masters in Planning curriculum at the University of Southern California. During the 1979-1980 academic year, the workshop students & professors performed as a quasiconsulting team to PACE. Their work, also described in a separate report, is incorporated in this study.

Another component of the University of Southern California, the Urban University Center (UUC), was funded by the Economic Development Administration through the City of Los Angeles to study possible alternatives for economic development in an area of the City which includes the Asia Corridor. While it was originally anticipated that this study would be completed in enough time to incorporate its findings in the New Asia Corridor Program, that did not materialize. Consequently the commercial component of this program is not as fully developed as originally hoped. PACE still looks forward to obtaining and utilizing the results of the UUC study during the coming year. The New Asia Corridor Program is viewed as an ongoing, evolving program.

PACE believes that its experience as a community-based Pan-Asian organization gives it a unique ability to create the programs needed in the Corridor. PACE knows these communities, but also knows that its efforts will be most productive if they are the product of a comprehensive planning process rather than haphazard development. PACE embarked upon the New Asia Corridor Program with the hope of combining professional planning technique with its community knowledge to determine needs and search for programs to meet those needs. PACE views itself in the tradition of the community development corporation, committed to the dual concept of self-help and comprehensive development.

The New Asia Corridor Program was designed to provide PACE with a professional planning capability, and an improved data base, critical first steps to serving the community more effectively. PACE believes that the Program has accomplished much of this goal. Throughout the planning year PACE has received numerous requests from public and private agencies for information about the Community. It has seen its ability to respond to these requests improve as the program progressed. It has also learned that the community if anything is more complex, vital and fascinating than appears at first glance. PACE is hopeful that this document will provide a useful resource on which to build for itself, for the City of Los Angeles and for the people of the New Asia Corridor.

PACE Programs:

The following description of PACE's programs will give the reader a more specific understanding of PACE's activities over the past five years and their recent expansion.

Job Referral and Placement Services: These are walk-in programs in which clients may participate at anytime. The programs were developed out of the growing need to provide bilingual capability in the job placement field. Traditional placement agencies such as the State Employment Development Department (EDD) have often been unable to provide the needed bilingual staff for effective job counseling and career planning for members of the Asian and Pacific Island communities who have limited English skills. Also, there is a need for an employment program which is sensitive to the socio-cultural concerns of Asians and is at once able to bring these concerns to prospective employers so that productive working relations can be developed between the employer and his or her Asian employees.

Job Development and Referral Services for Indo-Chinese Refugees are designed to meet the specific job placement needs of this group. Staffed by bilingual counselors, it is based on the concept that employment is the cornerstone to their successful resettlement. This program is now in its fourth year of operation, and is part of a statewide effort to place refugees into jobs to counteract their growing reliance on public assistance. PACE placement during the first two program years accounted for 25% of all placements achieved statewide. For the Los Angeles area, PACE placements accounted for 60% of total placements despite the fact that PACE had 17% of the total grant monies allocated to Los Angeles.

Job Development and Referral Services for Pacific Asians is a more generalized service. Due to the tremendous success of the job placement program for Indo-China refugees, PACE was able to leverage this program for additional program monies through CETA Title VI in 1978. Thus, the special service that PACE provided for Indo-China refugees became available also to the larger Pan Asian Community.

Education Programs: PACE operates two classroom training programs, each with two classes running at any given time. The programs are English as a Second Language (ESL) and Clerical Training. The ESL class is a 22 week program with a minimum admission requirement of third grade level English. The training stresses oral communication skills, grammar and vocabulary building. In addition, office procedures, job application procedures, interviewing techniques and resume writing are covered near the end of the course. The clerical class requires a fifth grade English level for admission. This program is especially helpful to the many immigrants who have work experience in this field but require re-training to make their skills applicable to the local job market. The training emphasizes typing, filing, light bookkeeping and general office skills. Although designed as a 20-week course, students generally begin their job search before completing the course, and many obtain employment before official course completion.

Students spend 6-1/2 hours a day in the classroom and are paid as CETA trainees. Compared with other programs available in the community, the hours of training are much more extensive and payment makes it economically feasible for students to participate these longer hours. Lessons are planned around the specific goal of increasing student employability. PACE assists with job placement following graduation and has been very successful.

Currently the majority of students are Korean or Indo-Chinese. PACE is now serving approximately 89 students each semester, although 600-700 people apply for admission to the program. 60% - 70% of the applicants are eligible for admission based upon their English grade level. The demand for this type of program far exceeds its availability.

In addition to classroom training, PACE operate a Work experience and On-the-Job-Training program. This program takes advantage of employers in both the private and public sector who have training and supervisory resources to train new staff. Under the program, PACE subsidizes the employers' training costs. This program makes available both to PACE and its program participants a wider variety of job skills training programs. Moreover, it gives participants the opportunity to participate in highly effective "hand-on" learning.

In March, 1980, PACE ventured into the field of preschool education when it opened its first Headstart classroom. Currently, the program has enrolled its full capacity of 240 children in 16 classes at 8 sites. PACE operates this program under contract with the Los Angeles County School District. The Headstart program provides four classroom hours a day, including a snack and hot lunch, medical screening, and social services counseling for the student's families. The PACE classes include bi-lingual, bi-cultural classes for Korean, Chinese, Vietnamese, Japanese and Latino children in their respective neighborhoods to improve their preparation for public school adaption and success.

Headstart does not allow for full day childcare services and requires that the family qualify by meeting low income standards. It is not, therefore, designed to meet the needs of all working parents.

Housing: PACE currently operates a "Handyman Program" which trains people in the areas of home repairs and light construction. The Handyman trainees provide home repairs free of charge for low income homeowners, while receiving instruction in the building trades. The trainees are paid through the CETA program, while supplies and training cost are met by the Community Development Block Grant Program. During the 1979-1980 fiscal year, 225 homes were completed under this program in the Westlake and Echo-Park areas. In 1978, PACE initiated its housing development program. For the first project, HUD Section 8 low income family housing, PACE has obtained a Pre-Development Loan from the State of California Department of Housing and Community Development. Sites have been obtained for 16 units of scattered site housing as have Section 8 commitments.

Simultaneously, PACE is planning expansion into the areas of major housing rehabilitation and residential, commercial, industrial, real estate development. Needed capital for the former has been obtained from the U.S. Department of Housing and Urban Development (HUD), Office of Neighborhood Development (OND), while start-up capital for the latter was obtained from the Ford Foundation's recently created Local Initiatives Support Corporation, as well as other local private sources. There now exists the potential of private funding moving PACE further into the area of housing and economic development.

Health: In September 1980, PACE opened the Pacific Asian Community Clinic. The Clinic also offers the Women, Infants, and Children (WIC) program which consists of a nutrition counseling and supplement program for pregnant and lactating mothers.

The Clinic services are free for children of low-income families, however, the Clinic is designed to be self-supporting, based upon reimbursements from Medi-Cal for services rendered to Medi-Cal patients. The Clinic provides diagnostic services such as physical, sight and hearing exams and TB testing as well as preventive services such as immunization and counseling. The staff are bilingual in the major Asian languages. Continued growth is possible within the current structure as this is a very new program with the number of patients growing steadily. However, an infusion of funds would be required to upgrade the facility to qualify for a treatment license, in addition to the current status.

Conclusion:

The above series of programs indicate the breadth of PACE's areas of involvement and their continuing expansion. They also indicate the need for planning and coordination which the New Asia Corridor Program hopes to fill.

## 1.2 The Corridor, Its Asian Communities and Their Histories

The New Asia Corridor, as designated for this study, consists of approximately 14 square miles of mid-town Los Angeles: developed urban land, flat for the most part, as it skirts the Hollywood Hills to the North and Baldwin Hills to the Southwest, rising and falling only at its easterly portion surrounding Echo Park. Fairly dense by Southern California standards, the Corridor houses approximately 350,000 residents.

With the exception of small pockets immediately adjacent to the Wilshire Boulevard employment centers, the residents of the Corridor are low and moderate income people living in aging housing and facing the full range of urban problems. Superimposed on these problems is a large influx of new immigrants posing a challenge to public and private institutions alike. The immigrants have literally changed the face of the Corridor. Areas recently planning for a senior citizen population find themselves dealing with overcrowded elementary schools. The language, religion and ethnicity of the area has changed. The challenge facing the City of Los Angeles is to respond in a rational, timely, and sensitive manner so as to quickly incorporate the new immigrants into the fabric of the City.

These are some of the issues that bring the Corridor under public scrutiny. Social services in the Corridor are generally "in shock" because of the population influx, and the lack of needed multilingual personnel. The schools, health and welfare services have been the first to feel the impact. Lack of child care is a problem. Children and youth services are generally low since these areas only recently had a much higher age distribution. Social problems from a population under-going severe stress can be anticipated: high unemployment, vulnerability to various unscrupulous operators, juvenile criminal activity, substance abuse, mental health problems, and family conflict. Health care access is limited by language barriers while mental health practitioners are culturally unfamiliar and even more underutilized. If the schools do not succeed in preparing young immigrants for employment, problems will be compounded in 10 to 20 years. In the meantime, problems that existed before the influx continue, including needs for services to the elderly in Crenshaw and Westlake, and especially among Japanese and Pilipinos. Crime is a major issue throughout the Corridor as throughout the City.

### Housing:

The Corridor is older and deteriorating, rehabilitation is badly needed and overcrowding is increasing. Rental housing, comprising the vast majority of the Corridor's housing stock is in short supply. Affordable housing that is available to families with children is an especially critical problem, compounded in some areas by condominium conversions. Since this study began the City has enacted an ordinance banning housing discrimination against children and its impact is yet to be seen.

Business activity, especially commercial has increased with the population influx. But this positive development suffers from lack of coordination and planning. Many refugee and immigrant businesses failed. Incomes are low. Immigrants are experiencing high rates of unemployment and underemployment because of either lack of skills, lack of English or inability to practice professions in the U.S. The Corridor is located in Labor Market Planning Area 3, an area used by the City for employment analysis. This area has experienced the largest population growth in the City in the period 1970-77. While its labor force increased by 14%, jobs increased by only 7%, unemployment in the same period increased 99.7%, the second largest increase in the City.

Before coming back to each of these issues, a closer look is taken at the peoples making up the population to provide a picture, statistics cannot tell.

In addition to the Asian population, the Corridor houses Latinos, Anglos, Armenians, and a small number of Blacks. But the Asian communities are the greatest source of change and a special focus of this study.

The term communities is used because over twenty ethnic groups can be identified. The larger of these are the Korean, Pilipino, Vietnamese, Cambodian, Lao, Chinese, and Japanese. To sort these out for persons unfamiliar with them, it may be easiest to think of three groups: 1) those communities in which middle aged adults are today largely the decendents of immigrants, 2) those communities in which adults have themselves recently immigrated by choice to seek a better life in America and, 3) those communities in which adults are recent immigrants, but can be classified refugees who did not have a choice about staying in their home country and entered whatever country would provide asylum.

Pioneers:

The Japanese community generally fits in the first group. This community was the pioneer Asian population in the Corridor. As early as 1950, substantial numbers of Japanese settled in Crenshaw, at the southern end of the Corridor and the Virgil area, know to them as "J-Flats", at the North. While, Virgil still has a significant Asian population (not just Japanese), the Crenshaw Japanese community is declining with many of the Japanese-American young adults who grew up in the area moving to suburban locations. The elderly in particular have been left behind.

Traditional Asian ethnicity in these two regions has resulted in a "magnet community" attracting a high percentage of new immigrants that have "in-filled" the area between these two major anchors hence the term "New Asia Corridor". The bulk of Japanese immigration took place between 1890 and 1930 so that by the time resettlement into Los Angeles took place following the internment during World War II, this community had substantial human resources and a knowledge of its American surroundings to aid in its recovery from the economic losses and personal trauma suffered at the hands of a hysterical wartime government. Armed with these resources a wide range of businesses flourished, housing was maintained and improved and models developed for community institutions (Japanese-American Citizens League, Buddhist churches, and Japanese language schools for examples). It is one of the challenges facing the Corridor to insure that these models and resources are not lost to the immigrants of the '70's.

Younger Japanese Americans today are largely assimilated, English speaking, and experience a high rate of intermarriage. Japanese language and customs while still maintained to varying degrees have evolved to the point that they differ perceptibly from those of present day Japan. Nevertheless, such Japanese population as remains in the Corridor may tend to be more traditional, this influencing their choice to remain in the area of earlier settlement.

The Chinese community has elements of all three immigration types. Those who are descended from the early immigrants are generally thought to be concentrated in Los Angeles' Eastern suburbs. Nevertheless some will be found in the Corridor. The first wave of Chinese immigration took place between 1820 and 1880. In the 1970 census, approximately 40,000 Chinese were reported in the Los Angeles area. The largest concentration of new immigrants is in Chinatown, Northeast of the Corridor. This area has also absorbed a large number of Vietnamese nationals who are ethnic chinese.

China has a long history of "overseas" communities, spanning many countries, including most of Southeast Asia. This history has provided for the development of a tradition of a ghettoized life-style and resistance to assimilation. This was reinforced for the early immigrants by virulent California racism which often led to violent attacks. Today, Chinese is maintained as a first language in many homes and even Christian Chinese maintain a range of separate Chinese institutions. Nevertheless, those in the Corridor may tend to be those who are more Americanized as they have moved away from the Chinatown base. The continuation of the Chinese New Year's celebration, a well know cultural symbol, stands in contrast with the adoption of the January 1 New Year as a major Japanese holiday to exemplify the cultural identity of this community.

Seekers:

The next group are recent immigrants who arrived with some measure of self-direction. These include the Korean and Pilipino communities. In both of these communities, American immigration can be seen from the perspective of the homeland as part of a Third World "brain drain". Many immigrants were admitted under the U.S. immigration "preference" for professionals. This preferential treatment convinced many immigrants that they would easily find employment. California licensing rules and procedures have dashed these hopes pronouncedly for health professionals, even those who speak English. In addition, many immigrants are educated but lack specific job skills, similar to many U.S. graduates, but here the problem is compounded by the language barrier. They face the uncomfortable choice of unemployment, underemployment or unskilled labor. Thus employment is a major issue for these groups, both in itself and because of the strains that families undergo as their socio-economic status changes for the worse. The change is especially poignant in view of their recent move halfway across the world to pursue a change for the better.

A Korean community began taking shape in Los Angeles shortly after the Korean war, but by 1970 was still fairly small. Today estimates range as high as to 150,000. The community is centered around the Olympic corridor running along the southern end of the study area. As might be expected from this relatively educated, middle-class immigrant group, the Korean community has developed an extensive infra-structure in Los Angeles. Churches, newspapers, language schools, the Korean Association of Southern California and individual professionals provide a wide range of services. These services, however, are often viewed as stop-gap responses to public negligence. Many Korean immigrants are proprietors of small businesses, however, they are frequently kept afloat only by all family members laboring excessive hours. Even then, a large number of these businesses soon go under. Thus, the level of self-employment is deceptive. In the many families where the wife is employed outside the home for the first time, her employment may be a major source of stress, anxiety and conflict. In addition, there is political stress and conflict in this community. The South Korean government has maintained a presence in this country both in relation to American policy makers and in relation to the immigrant community. For those whose move here was partially motivated by political conditions at home, this is another complicating factor. The large degree of geographic concentration of the Korean Community is thought by some service providers to be a disincentive to the acculturation and the acquisition of English language skills. This may indicate a greater need for bi-lingual services.

The Pilipino community faces many of the same issues as the Korean but perhaps its first problem in Southern California is one of identity. Because of centuries of Spanish occupation, many Pilipinos bear Spanish surnames. Southern California institutions, including social service providers, often confuse them with Chicanos and they are often mistakenly identified as "Hispanic" when statistics are collected. This is both a problem for individuals trying to obtain services, and a community level problem. An additional factor is the complex immigration status of the Chicano community. This is especially true when, as in the Corridor, Pilipinos are found in areas of actual Hispanic concentration. Such is the case in the East Hollywood, Virgil and Temple/Echo Park areas of Pilipino settlement.

While much is held in common with Latin American cultures, Pilipinos do not speak Spanish as their native language. Some college educated Pilipinos may speak Spanish as a second language, those without a college education, especially the elderly, may not benefit from services to the Spanish speaking. Another part of the Spanish heritage is the Roman Catholic religion which about 80% of Pilipinos profess, and an even larger percentage of those in Los Angeles. This is because the largest minority religion, Islam, is heavily represented in the southern part of the Philippines. As a Catholic dominated nation, the Philippines still outlaws divorce and discourages all kinds of contraception. While there was early Pilipino immigration to California farm areas, today's Los Angeles community is primarily made up of more recent arrivals who came directly to the city. The specific areas chosen for settlement have been attributed to employment opportunities in Hollywood hospitals for health professionals with other immigrants following.

Unlike the Korean community described above, it is not unusual for Pilipino couples to consist of two trained professionals, husband and wife. However, even among urban professional women, four to six children are not uncommon and aging parents are often brought over from Manila to live with the family once they are settled. This places a great burden on the family when it discovers that professional employment cannot be secured.

In this group, of "seekers" should also be included some Chinese, especially from Hongkong and some of the Vietnamese, especially those who left prior to the fall of the Saigon government.

Refugees:

The third group of immigrants is the refugees. These are the victims of the Indo-China wars. They are Vietnamese, Cambodian, Lao, and Thai. The area they come from has been called Indo-China because of its situation between these two large nations which have at various times conquered or influenced it. At the same time, each of the Southeast Asian nations is the site of indigenous cultures and has produced a unique blend of its own.

In modern times, the only country to escape European colonization is Thailand, which did so at a cost of territorial concessions. The Theravada Buddhism which dominates the country has been close to an "established" religion and Southern California Thai temples receive financial support from the Thai government. In the provinces, the village wat (temple/monastary) served many functions including that of elementary school. The monastic service is a major feature of the social landscape and provides a means of social mobility particularly for rural youth. As in many developing countries, Thai students began coming to the U.S. in the 1960's paving the way for later settlers. Thai have settled in the western end of the Corridor including the Olympic Corridor and the Hollywood Corridor.

Laos and Cambodia by contrast were part of French Indo-China and are represented among the very newest of arrivals. They also arrive (with some of the Vietnamese) as the most traumatized population. Many of the new arrivals are from mountain areas. Their villages were destroyed by war. They were first refugees into Southeast Asian cities, and later on the road and the camps before finding their way here. Many are people who have been separated from their families or have seen their families destroyed. Successive governments, particularly in Cambodia, have instituted repressive measures dismantling the fabric of urban life; including the execution or starvation of perhaps a million Cambodians in the past 5 years. The Vietnamese invasion has recently continued this story of chaos and destruction.

Laos is the one country in the area that is completely landlocked. Largely agricultural, Lao farm families generally owned their own land although they were often heavily indebted to merchants. The country was sparsely populated and towns remained small. This undoubtedly adds to the transition problems for persons coming to American metropolitan areas. Although Lao is the official language, this is due to the social and political dominance of the Lao people and tends to conceal a high degree of ethnic diversity. Like their neighbors described above, the Lao people are predominantly Buddhist. They have settled in the Northern part of the Corridor.

The Vietnamese are by far the largest Indo-Chinese group in Los Angeles, and in the Corridor. Better known to most Americans, they also come from a nation that has been at war for all of their lifetime. The first major group arrived in the U.S. in 1975 with the fall of the Republic of South Vietnam and the end of the U.S. military presence. A second wave arrived in the past two years with the opening of the U.S. to "Boat People". Many of these newer immigrants are ethnic Chinese who have joined or integrated with older Chinese communities in the U.S. generally and Los Angeles Chinatown specifically.

Vietnam has been more affected by its invaders than some of the inland countries. The Chinese left a strong cultural influence seen both in details of daily life such as the use of chopsticks and in philosophical issues such as the influence of Confucius. The French also left their mark including a significant Catholic population, and a strata of western educated people who were used by the French as colonial administrators not only in Vietnam but also in Cambodia and Laos. The Vietnamese have adopted the Latin alphabet to write their language. Those who are city dwellers have also, of course, had previous contact with Americans. The first wave of Vietnamese were generally those associated with the American administration and some escaped with some material resources. The second wave of Vietnamese immigrants has undergone similar trauma to that described for other Southeast Asians above: war, displacement and loss of families. Their journeys to this country have been punctuated by internment, piracy, and disease. They have, however, more personal familiarity with American ways than some other groups. While recent immigrants include more rural people, they also include those urban professionals who simply did not succeed at making an early escape. Vietnamese within the Corridor have settled both in Hollywood and the Wilshire area although they have large communities in other parts of the city and state.

In all of these refugee populations, there is a wide range of issues and problems. They are in a process of recovery from both psychological and physical trauma. Among camp populations awaiting entry mortality is so high that few children can be found under age 5. Malnutrition in the camps is prevalent and disease must be guarded against.

The refugee population is welfare-dependent on first arrival in this country and the problem of employment is a severe one, encompassing skills, language and especially in the case of rural people, life style. Those families that arrive intact are large and have difficulty locating housing. LA County Department of Public Social Services statistics confirm that Indochinese refugee cases average 2.8 children compared to an AFDC statewide average of 2.1. Other families are not receiving cash assistance and so are not counted. The problems are numerous and complex and deserve serious attention.

Other Immigrants:

Three large non-Asian groups of immigrants are found in the Corridor. They are Mexican, Central American and Armenian. They share experiences and problems with the Asian groups that are common to them as immigrants. Because the Asian Communities are a special focus of this study, a thorough description of these three groups is not attempted. However, it is important to be aware of their presence in the community. The Community Survey below points up more information about them. For now, it is important to point out that the Spanish speaking people of the Corridor are heavily Central American. This population can be expected to continue to grow as political turmoil and violence grows in Central America. The growth of the Armenian population is much less predictable. The current wave of immigrants have arrived primarily from the Soviet Union and the continued flow is dependent, among other things on Soviet policy (previous waves of Armenian immigration have been from Lebanon, Iran and Turkey. Many of these earlier immigrants are now well established in Los Angeles). The new immigrants generally do not speak Russian and are not served by programs for other Russian immigrants. They are concentrated in the East Hollywood area.

The Corridor is expected to continue absorbing a large immigrant population for some time to come. Increases in the Asian population in particular, are expected to continue throughout the 1980's. This is due to continued instability in the countries of origin, coupled with the liberalization of the U.S. immigration policy. In addition, many immigrants who are scattered throughout the U.S. at the time of entry, make their way to Los Angeles in secondary migrations. The climate, the impression of prosperity and the existence of an established host community all add to this growth.

Los Angeles today is one of the world's most cosmopolitan cities and the Corridor is the hub of that phenomenon. Its people can be a vital addition to the city, its economy and its vibrancy if a few first steps are taken.

## 1.3 An Overview of the New Asia Corridor

The New Asia Corridor like any community, does not neatly correspond to the boundaries of cities, council districts, or zip codes, much less all three, although these are typical of the many varied ways in which data is collected. The picture of the corridor, therefore, emerges from a variety of sources not all of which coincide perfectly. An attempt has been made to use the census tract as the basic unit of analysis whenever possible, affording the greatest comparability at the smallest area level. However, other areas are used when necessary to compute the picture.

In the preceeding section, an overview was presented of the Corridor, its problems and its Asian communities. In this chapter, that overview is fleshed out with specific details about the people, the housing and the services.

### Population:

The 1970 census recorded a population in the New Asia Corridor of 279,052. The Los Angeles City Planning Department estimated a 1978 population of 310,863 or an 11% increase. This coincides with the impression that the area is experiencing population growth at a time when many inner city areas are declining in population.

Since 1970, the population has not only grown, it has changed. The 1977 Population, Employment and Housing (PEH) Survey conducted by the City of Los Angeles presented its findings by Planning Area, Council District and Police Division. The presentation found to most closely approximate the Corridor was the Police Division, specifically the Hollywood, Rampart and Wilshire Divisions as shown on Map 1.

In all three divisions, in both numbers and percentages, two trends stand out: 1) An increase in the youth population and decrease in the elderly population;2) An increase in the non-white population and a decrease in the Anglo population. Both trends are most pronounced in the Rampart Division, or the eastern portion of the Corridor. Since 1970, Rampart experienced a 61% increase in the number of youths in the area. It simultaneously experienced a 94% increase in the number of Asians, who were estimated at the time of the survey to be 17.4% of the population. In Hollywood, the ethnic change is even more dramatic, although the numbers are smaller, with a 197% increase in Asian population to 9.8% of the total, and a 306% increase in Black population to 6.2% of the total. Although it is not demostrated by this particular study, the increase in Asians is an increase in new immigrants, not a redistribution of the older population.

## 2.3 Conclusions:

### WHERE DO WE GO FROM HERE?

The community survey confirmed many impressions gained in the preliminary overview and modified or detailed others.

The survey communities are multi-ethnic places serving as ports-of-entry for immigrants from the far flung parts of the world. This is true across all ethnic groups including the White or Anglo population. Unemployment is at least 12% and incomes are low, yet reliance on public assistance is even lower. More than half of all households speak a language other than English as their primary language. In many ways, the areas are reminiscent of immigrant neighborhoods fifty to a hundred years ago.

Like those earlier places, the survey communities are optimistic about their surroundings. Most have no immediate plans to move out. They are generally happy with the services in their new home, notably the schools and the public transit system which are sources of complaints in other areas. They enjoy, rather than reject, many aspects of the urban environment, especially its convenience and are not unhappy with the United Nations they live in. Most look forward to American citizenship.

This despite some very real problems. Lack of jobs and low incomes helped accelerate a housing shortage which has caused 40% of the households to be crowded by popular standards. These are renter's communities and any housing programs will have to be geared to that reality. The homes they occupy are older and in need of repairs. The plumbing in particular is worn and probably neglected. Many will be hazardous in case of an earthquake.

In addition to these problems, the problem of crime is foremost on the minds of residents. As has been shown, they are living in a high crime rate area and the concern is to be expected.

Two shortages appear in terms of the ability of the neighborhoods to hold these populations: parks and parking. These needs will be part of ongoing planning for these neighborhoods.

Two programs recently enacted by the City were designed to meet some of the problems of this population: rent control and the anti-discrimination ordinance protecting families with children. The full story is not in on either one but the rent levels reported indicate that at least some stabilization has taken place.

Many problems of the economy must be solved at a regional or national level. What can be done at the neighborhood level is to insure that those immigrants with job skills are able to use them and that their children receive the education they need to break the cycles especially among the Latino population.

For all the immigrants, education is important in English language skills and also in ways of obtaining assistance whether public or private, such as the use of counseling agencies or how to obtain health insurance or utilize police services. These programs and the concomitant training of service providers can be initiated on an areawide basis and without much delay.

Neighborhood housing and community development programs on the other hand must of necessity be limited in area and require further site-specific planning and programming. All possibilities of expanding or upgrading the housing stock must be examined. It is in this manner that PACE proposes to attempt in its next year of planning activity. The areas proposed for comprehensive planning are:

1) In the Wilshire area, the neighborhood bounded by Vermont, Mariposa, Wilshire and Olympic but not to include Wilshire, Olympic or Vermont. This area meets all the original targeting criteria and has a number of institutions providing potential rallying point for neighborhood improvement. This neighborhood is in Census tracts 2123 and 2133 and Council Districts 4 and 10.

2) In the Hollywood area, the neighborhood bounded by Vermont, Hoover, Lexington and Melrose but not to include Vermont or Lexington. This area meets all the original targeting criteria. In addition it is an area that has shown a particular downturn in the past several years, which may still be reversible if attacked immediately. It contains a variety of dwelling types and includes an elementary school and library which can help focus activities. This neighborhood is in census tracts 1913 and 1914 and Council Districts 4 and 13.

3) Within the Hollywood neighborhood described above, for commercial revitalization: Virgil Avenue between Santa Monica and Melrose, and Melrose Avenue between Virgil and Vermont. This area is mixed in use which specifically serves neighborhood commercial needs. Its upgrading would be an essential part of improving the neighborhood. The commercial area is in Census Tract 1914 and Council District 4.

It is hoped that in addition to the PACE proposal outlined above and PACE's ongoing work, this study will help many individuals and organizations to take a new look at the New Asia Corridor and incorporate it into their plans and programs in the future.

## 2.4 Recommendations:

### PUBLIC POLICY DIRECTIONS

The New Asia Corridor proves to be an area of great diversity, one with many problems but also much potential.

** The multi-ethnic make-up of the Corridor should be viewed as an asset. The concentration of a large number and variety of immigrants permits the concentration and the coordination of the services to these new Americans. The service needed most unique to these group is improved and expanded opportunities for learning English. Simultaneously, enforcement of Fair Housing laws is needed to maintain a multi-ethnic community. This is particularly true for the Black population which is the most segregated and it is important to determine that such segregation exists only by choice. Any business assistance programs designed for the Corridor should assist ethnic merchants in attracting and serving the needs of customers from other ethnic groups so that commercial activities will not be unnecessarily segregated and markets for services will not be artificially limited. Finally, training programs are needed for public service personnel to acquaint them with the needs, languages and cultures of the new immigrants.

** Low density housing may continue to be replaced with high density housing. However, existing, older, high density housing should be preserved rather than replaced. This will require the design of rehabilitation programs of the most difficult type: geared to older, larger buildings. In addition to general upgrading, the following three components should be included in such a program: 1) helping owners to meet seismic safety standards; 2) improved security and; 3) redesign of floor plans to create larger units suitable for larger families, and possibly at the same time increase the supply of "singles" available to the elderly or handicapped poor. As difficult as such a program would be, it is the only way that a housing stock for low income families will be maintained. While larger old housing is preserved, the transition from single family neighborhoods to multi-family will continue but must be managed to insure the following: 1) new construction should not be allowed to create economic ghettos; 2) new construction should always increase the total number of units and replace any low rent units it destroys, for example, by a set-aside; 3) new construction should not be so concentrated as to overburden public utilities and surface streets; 4) historic preservation surveys should be undertaken in the area most impacted by the new development to prevent unnecessary destruction. This means that the pace of development has made a review of zoning imperative particularly in the mid-Wilshire area. It also means that the lending practices of financial institutions should be reviewed to determine whether they are contributing to the concentration of development in a very small area. Finally, the shortage of low rent housing is critical, all vacant land should be reviewed for the possibility of scattered site subsidized housing.

# APPENDICES

Pacific Asian Consortium in Employment
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## APPENDIX A

## BOARD OF DIRECTORS

| NAME/TITLE | ETHNICITY | AFFILIATION |
|---|---|---|
| Mr. Jim Uyeda<br>Chairperson | Japanese | Attorney |
| Mr. Collin Lai<br>Vice Chairperson | Chinese | Union Representative (UAW Local 216) |
| Mr. Shan Thever<br>Secreatary | Sri Lankan | President, American East Indian Association |
| Mr. Lauolefiso Aliifua<br>Treasurer | Samoan | Omai Faatasi |
| Mr. Art Chihara<br>Member | Japanese | Business Representative |
| Mr. David Guillermo<br>Member | Pilipino | Representative, Pilipino Educators Association |
| Mr. Mike Ishikawa<br>Member | Japanese | Affirmative Action Comliance Officer |
| Dr. Sue Ann Kim<br>Member | Korean | President, Korean Woman's Association |
| Mr. Johnny Teopaco<br>Member | Pilipino | Realtor |
| Dr. Samuel Rhee<br>Member | Korean | Representative, Office of the Mayor |
| Mr. William Min<br>Member | Korean | Attorney |

** As a whole, the Corridor combines very successful commercial development with very marginal enterprises. The potential for commercial success has been shown to exist. Therefore, technical assistance programs for small businesses may yield a high return. In addition, commercial rehabilitation even limited to façade improvements may be sufficient to expand the areas enjoying regional clientele away from Wilshire Blvd. to adjacent areas. In essence, the Wilshire Blvd. commercial center has been allowed to remain isolated rather than have a positive spillover into the area as a whole.

** Jobs are the most critical need of the Corridor residents. Two approaches are needed simultaneously, job training and job creation. Job training programs should be designed to meet Corridor needs as well as make use of existing programs. For example, a training program for family day care providers would at once help meet the need for childcare, provide job training and could be developed in conjunction with the existing Headstart programs and the Early Childhood Education curriculum at City College. Other areas of training in these combined categories would be home repairs and gardening. In each case, the trainee could obtain salaried employment or work as an independent contractor. Finally, training programs to meet job market demands continue to be important, including such areas as clerical, allied health fields and computer related fields.

For job creation, in addition to commercial upgrading and housing rehabilitation programs which will create jobs, a study should be made of the Jefferson - Exposition industrial strip, the only major area of industrial employment in the Corridor, to determine whether intensified or expanded use of this area can be made to create new jobs.

** Expansion or addition of park and recreation facilities should be planned for the Corridor, especially in areas of high population density or high concentrations of youth, as a high priority for capital expenditure in the Corridor. The Echo Park swimming pool will be a major improvement, but will not in itself handle the all unmet needs. Another potential in this area to be considered is the expansion of the community gardens program as this provides both open space and a low cost food supplement for a low income area. A relatively small land area is needed for a neighborhood garden.

Summary:

The reality of the Corridor as a multi-ethnic community with a concentration of the New American should be accepted and be encouraged with support services to make it workable. The development of new housing, especially in the Wilshire Corridor should be managed so that it meets the need of the Community and it does not exacerbate the housing shortage. Any possibility for expanding the low-rent housing stock should be encouraged. Job training and job creation should be pursued in a variety of ways. The expansion of park and recreation facilities should be a major priority for capital improvement.

## APPENDIX B

### ADVISORY BANK

Community/City Planners

1. Amit Ghosh, Senior Planner
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4. Rita Englehart, UCLA Institute for Social Science Research

5. Carolyn Lum, Survey Data Associates

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2. Jennifer Wolch, Professor, Urban Planning
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8. United States Commission of Civil Right, California Advisory Committee Asian Americans and Pacific People: A Case of Mistaken Identity, 1975

Also consulted employees, officials and documents:

- Asian Community Service Center
- Chinatown Service Center
- Immigration & Naturalization Service
- Los Angeles City Fire Department
- Los Angeles County Department of Public Social Services
- Los Angeles County Department of Health
- Los Angeles Unified School District
- Los Angeles Police Department
- Pacific Asian Consortium in Employment
- State of California, Department of Social Services.

Mr. DYMALLY. Our next witnesses are Mr. Mario Perez and Mr. Andrade.

Will the witnesses identify themselves and their organization for the record, please.

## STATEMENTS OF MARIO PEREZ, CHAIRPERSON, HISPANIC EMPLOYMENT PROGRAM MANAGERS COMMITTEE, AND RUDY ANDRADE, LOS ANGELES AIR FORCE STATION, SPACE DIVISION

Mr. ANDRADE. I am Rudy Andrade, from the Los Angeles Air Force Station, Space Division.

Mr. PEREZ. I am Mario Perez. I am the chairperson of the Hispanic Employment Program Managers Committee. It is a Federal committee. We are both here on our own time.

Mr. DYMALLY. Very good. Proceed.

Mr. ANDRADE. The Hispanic employment program is not new to the Federal Government. There has been some type of program involved with Hispanic employment since the early 1970's. The program is an integral part of the Government's total equal employment opportunity effort under the Executive Order 11491, and Public Law 92-261, the Employment Act of 1972. The objective is to assure equal employment opportunity for Hispanics in all aspects of Federal Government employment. Although the title of the program has gone through several changes, much of the initial concept is the same. Some legislation that has been passed to enhance the program objectives, but little progress has been made in increasing the number of Hispanics in the Federal Government.

In November 1977 the Office of Personnel Management published Federal civilian work force statistics, equal employment opportunity statistics, which showed the percentage of Hispanics employed in the various Federal Governmental agencies throughout the Nation to be as low as 3.5 percent. Generally speaking, there is only an average of 6 percent Hispanic employees in all Federal agencies in the Greater Los Angeles area and surrounding communities. The 1980 census indicates as high as 50 percent of the minority population, 28 percent of the entire population, and 22 percent of the Los Angeles County labor force to be of Hispanic origin.

It is because of this wide disparity and underrepresentation of Hispanics in the Federal Government work force that a different approach should be made and serious consideration be given to the Hispanic program. It should be noted that our program is strongly encouraged by the Federal equal opportunity recruitment program, specifically in FLM 720-2, dated September 19, 1978.

As stated, there has been some type of program involved in Hispanic employment since November 5, 1970, when the President announced a 16-point program to assist Spanish-speaking American citizens in Federal employment. The program has evolved to its present status by first a title change to the Spanish-speaking program, now known as the Hispanic employment program. This has brought about little effect on Federal Government employment as supported by statistics which clearly show the underrepresentation of Hispanics.

Mr. Mario Perez will give us some additional information on the program.

Mr. PEREZ. I have been the chairperson of the Hispanic employment program managers' committee since September of last year. During that time, my eyes have been opened to a number of bureaucratic problems that we have in recruitment of Hispanics. I will briefly touch upon that. But I would also like to get into some other things about the community and how we can help the community.

First of all, I think there is no secret that Los Angeles has the largest Hispanic population in the United States, and actually outside of Mexico City.

Our problem has been information, how do you get the information out to the community. We have tried to be innovative. We have tried to be creative. We have tried to work within the system. We have tried to do everything that we could possibly do to recruit Hispanics.

We have not been as successful as we would like to be, for a number of reasons. And I will not knock my supervisors and my management people, but I think there is a lack of sensitivity in the area.

You do not look at the Hispanic problem through white eyes or black eyes or any other kind of eyes unless you can really do it through brown eyes.

Our problems are many fold. They start with the educational system.

Our educational system is not responsive to the Hispanic in the community. I think it is well documented that the Hispanic was the first one who filed a Federal court case regarding education here in California, and how moneys are allocated to the schools. Things have not improved that much in the community. We see now proposals of year-round education which has very, very strong implications for the Hispanic community. Regarding costs, regarding the cutbacks which are being implemented now in the Federal programs, as far as our lunch programs, our breakfast programs. We have child-care problems, et cetera.

Within the Federal service, which is what we would like to speak to you about, our problems stem from, one, money. Those well-educated Hispanics who are getting out of school look at the Federal service suspiciously first of all. They take a look at the efforts that they have put into get this education that they so dearly and hard fought for, and say—"You are going to pay me $12,000 a year to start? I am sorry, I cannot afford that." One problem.

Second problem. Resources allocated to our Hispanic employment program managers. Many times the resources are not given to our equal employment opportunity people to do the job and do it effectively in getting out to the community, in getting out to the schools. The other side of the problem is when do we have the jobs.

We have such a difficult problem in determining when are we actually going to have the jobs. Agencies differ greatly from one to the other. Is HUD hiring, is the Department of Transportation hiring? Is the Internal Revenue Service hiring? When are you actually hiring?

We recruit at sometimes the worst times of the year. Currently my agency is trying to recruit. It is summertime, colleges are out, very difficult to get out and find people who are qualified for the jobs that we have, in trying to raise the numbers of people to pass the professional career examination that has been dragged through the courts—we are still using it, and finding it very difficult to meet our EEO obligations through this exam.

We take alternatives, which means paraprofessional positions, take less money for an interim period of time. People do not want to hear it.

I think it has been well documented today the economic situation that we have in our communities; the current atmosphere throughout the country. You cannot afford to pay rent and child care and the various other expenses daily to take a job at $5.27 an hour when you have a bachelor's degree in English or history or business administration or what have you, because you cannot pass the PACE exam. That is an educational problem. And it continues to be an educational problem.

I would like to get off of the employment problem for a minute and really discuss I think more important things, because Hispanics are not asking to be given anything. We expect to be given what we earn. And I think that is the crux of the problem.

There is much talk about the immigration problem, the illegal problem, the numbers of Hispanics that we have here.

I think that throughout the Hispanic community, and if you take a look at it, people want to work. They are dying to work. They risk their lives to come here to work, not to live in any social program or off any social program. In fact, they contribute to the welfare of this country by not only the work they do, but the taxes that they do pay, social security, by purchasing in the community, they are very community oriented, and they help their community survive.

OK. Some of the things that we have problems with in being Hispanic employment program managers, for any agency, or being in equal employment opportunity, you go into a vast number of things that are closely related. I have already touched upon the educational aspects. Certainly not only the Hispanic community, but in the black community, we find fewer and fewer well-educated minorities. They are not going into college in the numbers they were going to in the early 1970's. They are not in the graduate schools. They are not being trained in the technical areas. They are not receiving the counseling from the educational system that you would expect them to receive. They are often channeled into the labor market, the hard-labor market, not the business administration, not into the medical schools or the law schools. Yes, we have more in numbers, but I would venture to say that percentagewise we have no greater percentage.

Our population is increasing very, very rapidly. It is a problem that the Los Angeles city, county, and Federal Government will have to take a look at. The way expenses are going, housing costs, interest expenses, our communities are bursting at the seams with population, with the inadequate housing, the cost of housing. And yet we see vast amounts of money being spent in community redevelopment for hotels, other funded projects in other areas.

The east Los Angeles community specifically has very, very little money spent there for building, I would say. I cannot back that up with facts. But I think if you tour the city with me, Boyle Heights and east Los Angeles, which are somewhere in the 85 percent Hispanic population, you go there and you show me federally funded housing, and I would be surprised.

Very tough problem. Again, our community is expanding, and we would like to see some of the Federal money being spent out in the valley and in some of the other communities coming into east Los Angeles. We are tired of seeing politicians coming into east Los Angeles during elections and then closing their eyes during the rest of the year. That leads to distrust in the community.

Hispanics know the meaning of sacrifice. We have been doing it for a long, long time. We feel that those of us who have contributed to the welfare of this community—to not only the welfare of our communities, but to this Republic—and I will remind the committee there are more Hispanics that have received the Congressional Medal of Honor than any other ethnic group by percentage, we have given our blood and life. I am a Vietnam veteran. I know what I speak of. We have many veterans in our community. As you well know, minorities constitute large percentages of our Armed Forces. They are not receiving the services of the Federal Government. In fact, we see veterans centers that are being closed down in our communities. And we ask why—do we not need, like everyone else? We have a need.

In speaking about these things, I hope the committee takes a look at it. Do not go back to Washington—Washington does have its own problems. But I think taking a look at Los Angeles, and the numbers of people we are talking about, the disenfranchised people here, Hispanics, and blacks, and other minorities, that you really take a look at what is happening.

Why is the school board not prepared for the kinds of population explosions in the inner city? Are they so unintelligent? Are they so unforeseeing that they cannot plan construction of new schools where they are most needed? We do not see an overcrowding situation in the valleys, in the San Fernando Valley. We do not see that. But we do see it in the inner city. We have a school not more than about 3 or 4 miles from here that has over 4,000 students. It is way overcrowded.

The school board does not plan those things ahead of time. Personal observation.

We look around as Hispanics at some of the Asian gains in the community, and we look at it I think with somewhat of a jealousy, but also with some bewilderment. If you take a look at some of the communities in the east Los Angeles community, and you stop at a grocery store, you find many times, more often than not, that grocery store is owned by an Asian, whether it be Japanese or Korean or Vietnamese. And you wonder, where are they getting the money, how are they doing it? After a year or two of being in the country, here they are, they own that corner store that had traditionally been owned by a Hispanic. And you wonder why. And you find the Federal programs are being geared to these refugees. Why are not we as Hispanics, who have been here—and lo and behold we helped to establish this very city—that is another matter—why are we not being given the opportunity or being informed about these programs sufficiently so that we can take that opportunity, an equal opportunity to share in those gains and in that economic reality so that we can share?

As far as the communities are concerned, I think there is no doubt, and I am sure the committee has read enough reports about single-family homes. The black community has a large number of single-family, single-parent homes. Hispanics also have that problem. And when we talk about the cutbacks of Federal funding for many of our programs in the community, you are really hitting at the heart of many of these families that can ill afford to have any additional cutbacks, whether it be day-care centers, in our recreation and parks situation, where many of the parks are being either closed down now during the summer, or hours severely cut back because there is lack of money. Whether it be because the Federal Government has not been able to see it in their heart to supply more money, priorities are being placed on money that is available. And I understand what the priorities are. But I think people are priority, also. What do we do?

There seems to be more money available to refurbish battleships, $500 million if I understand to get two battleships out of mothballs, and you cannot find $1 million for a Federal program to help parents to take their children off the street and give them some productive—channel those energies they have so they are not in gang-related activities, give them something to go for, something useful. A million dollars, $1 million. What is $1 million in a $500 billion budget?

Those are some of the things I think our community is looking at, and are very cognizant of the reapportionment within our State and our representation. I think these are things that we as Hispanics are looking at. We are getting more sophisticated in our approaches. I think you will see in the future, in the coming elections, we will be more of a force at the ballot box than ever before. And we will continue to be.

Mr. **Andrade**. I would like to mention, according to the U.S. Bureau of the Census report, 11.3 million persons of Spanish origin live in the United States, with 85 percent residing in metropolitan areas. It is estimated that Los Angeles County and the surrounding communities have a Hispanic population of over 2 million. Nearly 1 million live in the county's San Gabriel region, which consists of approximately 841 square miles. Another 500,000 live within a 45-square-mile area located in the east Los Angeles area.

As a Hispanic employment program manager, I see many of the problems that we are facing in recruiting qualified Hispanics. One of them is that you have an Outreach center in the east Los Angeles area and man it with full-time staff to support the Hispanic employment program. Basically that is one of my main concerns right now. And I am sure Mr. Perez agrees with me on this issue.

Mr. **Dymally**. Mr. Andrade, I don't think I quite understood the name of your organization. You are with the Los Angeles Air Force Station.

Mr. **Andrade**. Los Angeles Air Force Station, Space Division. I am the Hispanic employment program manager.

Mr. **Dymally**. You work for the Air Force?

Mr. **Andrade**. Yes. I try to upgrade the representation of Hispanics within our organization.

Mr. DYMALLY. Both of you are here to express your concern about employment opportunities for Hispanics within the Federal system.

Mr. PEREZ. Primarily that is our function. We currently have proposed to the Office of Personnel Management—we have had a Federal Outreach center out in the east Los Angeles area for a number of years. Because of resources not being available to fully man that site the way we feel, as Hispanics, needs to have it manned, we have not been as successful in recruiting Hispanics as the statistics show we could be.

The site has been opened—it is supposed to be open 3 days a week. It is a voluntarily manned center. The Federal agencies within the Los Angeles Basin have been asked to supply someone to man the center on a day-to-day basis.

Well, priorities being what they are, I think the adverse effect of the GAO report on the special emphasis programs—we have not been as successful in getting people there everyday. And it is a continual perplexing problem

The Outreach center is there to help all agencies to recruit Hispanics. It is in the largest Hispanic-percentage community that you can find.

There is no logic to them not wanting to help.

Mr. ANDRADE. I think one of the problems we have is that many of the Hispanic employment program managers—they fill these positions as collateral deeds, meaning they may be a part-time manager, 10 percent, maybe 25 percent of the time.

It really creates a problem that they are not really that devoted on a full-time basis to solve some of the problems in the agency.

As far as the phrase is concerned, I realize we have freezes off and on. I feel that we have had a freeze for 10 years, since 1970. It is no different now than it was back then.

Mr. DYMALLY. Mr. Andrade, I notice you have some written testimony.

If you wish, at some subsequent time, but soon enough, submit that written testimony to the committee. We will be glad to enter it into the record.

Mr. ANDRADE. I brought some extra copies.

Mr. DYMALLY. We thank you very much for coming. We appreciate your patience. I assure you the committee is going to take note of your testimony.

I do have one prediction, Mr. Perez. I think you are going to do pretty well in the reapportionment this year.

Mr. PEREZ. We hope so. I know there is a lot of gerrymandering going on right now.

Mr. DYMALLY. If it is done in your favor, it wouldn't be too bad.

Mr. PEREZ. I wouldn't mind that. The results have to be seen yet.

Mr. DYMALLY. Thank you very much.

[The prepared statement was subsequently received for the record:]

Medical Center
Los Angeles, CA 90073

Veterans Administration

RECEIVED
6 APR [illegible]

February 24, 1981

Mr. Mario Perez
Director, Greater Los Angeles FEB/HER
Manager's Committee
Internal Revenue Service
P.O. Box 391, Room 1022
Los Angeles, CA 90012

SUBJ: A Proposal for a Federal Recruitment Outreach Center

1. Enclosed you will find a proposal for a Federal Recruitment Outreach Center in East Los Angeles. This proposal has been written in a manner to not only show a need for centralizing efforts of all Hispanic Employment Programs in the Greater Los Angeles area and supports this need with statistical data, but it also can be used as an operative procedural manual for the prepared program. The proposal is modeled much in the same manner as the HEP at VA Wadsworth Medical Center in Los Angeles, where a successful program has had a substantial success in increasing the number of Hispanic employees. In just fifteen months the percentage of Hispanics at Wadsworth has increased from 3% to 7%. This has been done despite the Federal hiring freeze enacted by former President Carter on March 1, 1980 and the use of ~~previously~~ Permanent volunteer help. The success of the program can be measured by carefully compiled statistical information on various data sheets provided.

2. This proposal will allow a one-to-one relationship working with "quality" applicants and employees on a one-to-one basis in a central location and thereby compile a file of qualified applicants to be referred to existing or potential vacancies in the area. The proposal is cost effective and would cost the government only $5,400.00 per year. There would be no staffing cost since full time permanent HEP Managers would be reassigned from their respective Federal agencies to the central location. Space and equipment are also available at no cost. The only cost incurred would be for office supplies, telephones and utilities.

3. As you know, Mario, this proposal has been a topic of discussion during several of the HEPM committee meetings. Also, it is quite evident that generally speaking our individual programs have lacked consistancy and effectiveness. This can be attested to by the grossly underrepresentation of Hispanics in the area, with an average of 6% employed out of a labor work force which represents 22% in Los Angeles County along. This is the primary reason why this proposal should be given serious consideration.

In Reply Refer To:

691/134E1

Mr. Mario Perez
Director, Greater Los Angeles FEB/HER
Manager's Committee

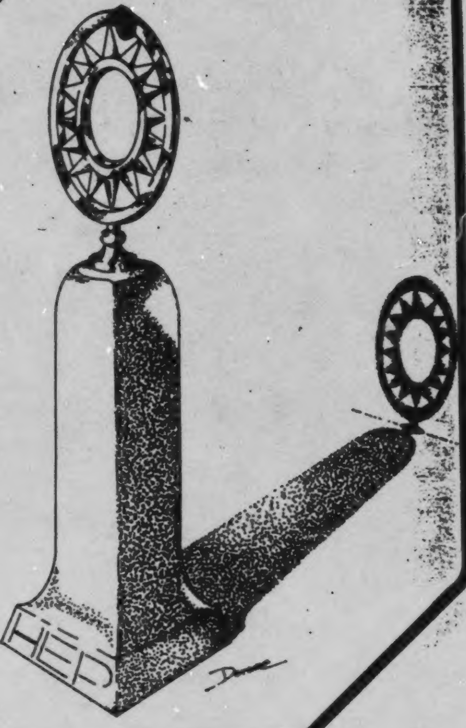
4. We should get together soon to review this proposal and strategies how it will be presented to the FEB. Mario, I expect to hear from you within the next week or so.

THOMAS R. SOSA
Manager, Hispanic Employment Program

# A PROPOSAL FOR A FEDERAL RECRUITMENT OUTREACH CENTER in EAST LOS ANGELES

FEDERAL EXECUTIVE BOARD

Excerpts from



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## ACKNOWLEDGEMENTS

We would like to take this opportunity to sincerely thank the Hispanic Employment Program Managers, Hispanic community organizations and other individuals, whose thoughts and ideas have helped develop this proposal. Their support of this proposal and awareness of such a need is quite apparent. We also wish to extend our gratitude to management for making it possible to utilize our program in the manner we feel would be most effective for the purpose of recruitment and employment of Hispanics. A special thanks is extended to Miss Laura Santos, employed in the private sector, who spent many hours of her own time typing, editing and composing parts of this proposal; Miss Brenda Tucker, Miss Linda Leon, and Miss Sylvia Vega, VA employees, who assisted in typing and editing, Mr. Arthur Dorame, VA employee, who also edited and whose exceptional talents provided the cover page and highlighted some of the tables presented; Mr. David Flores, VA employee, who assisted in editing; Mr. John Hernandez, U.S. Census Bureau employee and Mr. Frank Madrid, former Director of the FEB/HEP Committee whose ideas have helped to develop this proposal. Our final expression of gratitude is extended to our families for their understanding and support when the efforts of this program has kept us away from their presence. Without the continual support of all these people, we could not have achieved the success that we have.

¡MUCHÍSIMAS GRACIAS!

# PREFACE

The Hispanic Employment Program (HEP) at the Veterans Administration Medical Center (Wadsworth), Los Angeles, California had introduced a successful program. In light of this success, the purpose of this proposal is to present to the Federal Executive Board (FEB) what we feel is an excellent opportunity to assist in resolving the problem of underrepresentation of Hispanics within the Federal system. It is understood that we have used some ideas within this proposal that are not new and to some extent may be part of other community programs. We will continue to evaluate and use other successful procedures and ideas. However, we do not propose to replace existing community programs because it is vital that we give and obtain support to one another. This proposal has been written in a manner, that if implemented, can serve as a training manual to assist the Program Director and other individuals involved in this program. Enclosed are a number of exhibits or data sheets that will be used for this program. The purpose of each exhibit is explained.

## SUMMARY

A Hispanic Employment Program is not new to the Federal government. There has been some type of program involved with Hispanic employment since the early 1970's. The program is an integral part of the government's total Equal Employment Opportunity (EEO) effort under Executive Order 11491 and Public Law 92-261, the Employment Act of 1972. The objective is to assure equal employment opportunity for Hispanics in all aspects of Federal government employment. Although the title of the program has gone through several changes, much of the initial concept is the same. Some legislation has been passed to enhance the program objectives, but little progress has been made in increasing the number of Hispanics in Federal government.

In November of 1977, the Office of Personnel Management published "Federal Civilian Work Force Statistics - Equal Employment Opportunity Statistics", which showed the percentage of Hispanics employed in the various Federal governmental agencies throughout the Nation to be as low as 3.5% (See Table 1). Generally speaking, there is only an average of 6% Hispanic employees in all Federal agencies in the Greater Los Angeles Area and surrounding communities. The 1980 census anticipates as high as 50% of the minority population, 28% of the entire population and 22% of the Los Angeles County labor force to be of Hispanic origin. It is because of this wide disparity and underrepresentation of Hispanics in the Federal government work force that a different approach should be made and serious consideration be given to our proposal. It should be noted that our proposal is "strongly" encouraged by the Federal Equal Opportunity Recruitment Program, specifically in FPM 720-2, dated September 19, 1979.

In light of the fact that we are starting out a new decade, our main concern as Hispanics focuses on "equal" opportunity in employment. For too long now, Federal government has been unsuccessful in implementing a successful program. With the dawn, a new light brightens the horizon in our quest to become productive members of this great nation. United, we sincerely take pride in saying, "¡Mi Raza Linda!"

# A PROPOSAL FOR A FEDERAL RECRUITMENT OUTREACH CENTER IN EAST LOS ANGELES

## I. PROGRAM HISTORY

As previously stated, there has been some type of program involved in Hispanic employment since November 5, 1970, when the President announced a Sixteen-Point Program to assist Spanish speaking American citizens in Federal employment. This was mandated by Executive Order 11491 and enacted by Public Law 92-261, the Equal Employment Act of 1972. This program has evolved to it's present status by first, a title change to "The Spanish-Speaking Program", which was announced in Federal Personnel Manual Letter (FPML) No. 713-23, dated April 5, 1974, and then a more recent FPML No. 713-41, dated February 28, 1978, changed the title to the "Hispanic Employment Program". This has brought about little effect on Federal government employment as supported by statistics which clearly show the underrepresentation of Hispanics (See Table 1 and 7).

## II. PROGRAM BACKGROUND AND PURPOSE

Reasons for the unsuccessful attempts to improve the number of Hispanics in Federal government are numerous and in some instances, quite complex. Although they may vary slightly from community to community, these reasons are essentially the same. Two of the primary reasons for the program being unsuccessful, are the amount of time required to address program needs and the inconsistency that results from individuals managing programs on a part-time basis, when many of their permanent positions require a full-time effort. Very frequently these part-time program managers are promoted and subsequently leave the program, adding to the inconsistency.

Usually these programs are operated by one person with little training and/or experience in the Federal system in respect to recruitment and employment. Most of their training experience is through trial and error.

Although the Federal government attempts to assist the HEP by sending individuals to training seminars and having their EEO Coordinator and/or Personnel

Officer available to help in the technical aspects of their program, this has had little effect on each program's goals and objectives. Many of these program goals and objectives are unrealistic and never met. Year after year they are revised or changed with little impact or significant gains made.

After approximately ten years of Federal government programs in the Greater Los Angeles Area aimed at Hispanic employment, it is estimated that there is only an average of 6% Hispanics in Federal government. The 1980 Hispanic labor work force in Los Angeles County, as reported by the Department of Labor, is estimated to be 22% of the population. It should be noted that the Los Angeles basin is the location of many Federal Regional offices which have outlying field offices in Orange, Riverside, San Bernadino and Ventura counties. Therefore, the employment of civilians and the Hispanic labor force has a direct influence on the Federal agencies' Hispanic Employment Program in their counties. A comparison of the number of Hispanic employees with the 1980 U.S. Census estimates that the Hispanic Community in this same area may be as high as 27%, which is a ten percent increase since 1970. These figures indicate a need for adjustment to accomodate this social change and that there must be something lacking in the present program. The fault lies not in any one individual, agency or department head, but in the Federal bureaucratic system itself and the lack of someone in the system to properly and systematically analyze the program and propose or take appropriate action that uniformly affects all agencies.

It is quite evident, by current statistics, that a new emphasis should be made. As you are aware, we presently have an outreach, recruitment and employment office at 923 North Bonnie Beach Place in East Los Angeles. This is the same location as the VA Neighborhood Health Center. This office is presently manned by voluntary help from individuals with the Hispanic Employment Program and/or Personnel or EEO employees of several Federal government agencies in the area. This office is open three days a week, Tuesday, Wednesday and Thursday. Although this outreach office has been beneficial in making referrals and actually placing applicants in several agencies, there have been inconsistencies in its operation, primarily due to the reasons previously stated, the availability of individuals to be there at their scheduled time and the inconsistency of follow-ups on applicants' needs. Appropriate training for these individuals and standardized office operating procedures have also been identified as a much needed requirement.

## III. PROPOSED PROGRAM

Our proposal is to expand the outreach office located at North Bonnie Beach and staff it with full-time permanent employees. As has been proven by the VA Neighborhood Health Center in this area, this location is very accessible to Hispanics. Also located in this area are the California State Employment Development Department and the Chicana Service Action Center, Inc., which could prove very beneficial to the needs of the program. Centralization of the Federal program and opportunity to cooperate with these other offices will eliminate duplication of effort and be much more effective. Space, furniture and equipment has been identified and is available from Veterans Administration, General Service Administration Utilization and Disposal Branch office and other Federal agencies.

Additionally, this program has compiled a file of approximately 600 applicants and together with the file of applicants at the Bonnie Beach location, will prove very helpful to the staff of this proposal.

Proof of a successful program is now being demonstrated at the Veterans Administration Medical Center (Wadsworth) in West Los Angeles. The Hispanic Employment Program there is dealing with the underrepresentation of Hispanics in their facility in a direct and responsive manner. The concepts of this proposal have been tried and proved beneficial. On October 1, 1979, the VA Medical Center (Wadsworth) had 3% Hispanic representation; April 1, 1980, this doubled to 6% and by October 1, 1980, the goal is to reach 10%. This is a marked indication of a successful program and all figures can be substantiated. The VA Medical Center (Wadsworth) program is a model to emulate. Implementation of the Federal Recruitment Outreach Center will be advantageous to all Federal Agencies, specifically to those Field Offices with small or no personnel staff. A copy of the Hispanic Employment Program Guide is enclosed for your review.

We have identified at least 12 full-time permanent HEP Managers and 3 temporary positions which could be relocated to the proposed Center. The permanent employees are assigned to various Federal agencies in the area (See Exhibit "A"). Those noted in the Exhibit have been contacted and are agreeable to relocating to the proposed North Bonnie Beach location. Additionally, as time permits, the part-time HEP Managers will assist in the various work requirements such as recruitment and field outreach work in the barrios. It is recommended that this be done on a trial basis for one year.

A. Services to be Provided

Recruitment and referral of "quality" and qualified applicants will be the primary objective of the Federal Recruitment Outreach Center. However, any person shall be given assistance and/or information regarding Federal employment and since realistically we will be able to place only a portion of applicants, we will also provide general information on employment. Files of applicants will be maintained in alphabetical order and categorized by experience types. Special efforts will be made to assist applicants on a one-to-one basis in such areas as completing applications and supplemental forms, meeting test requirements, counseling, etc. The counseling will include providing information regarding social skills that are useful in job competition (See Exhibit "B"). Appropriate follow-ups will be made with every applicant and they will be instructed to follow-up with an individual of the program as well.

The individuals at this location would not only satisfy their respective agency vacancy needs, but also assist in filling vacancies for other Federal agencies in the area as well. This would eliminate a great deal of duplication that presently exists and provide the consistency needed in dealing with applicants. These individuals would do outreach recruitment in the community and would work with various community organizations and other local, city, county and state agencies.

Initially, a contact will be made with an applicant or a group of applicants by a member of the program. The program and its objectives will be explained in detail. During this contact and in every contact thereafter, the applicant will be treated openly and in an honest manner. Applicants will never be assured that they have a job, but only that they are being referred along with other applicants to a job. It is important to note that the program will work within the requirements and regulations of the Federal government system. A Recruitment Data Sheet, HEP Form 2 (See Exhibit "C"), is then completed which will be used for referral and follow-up purposes. Whenever possible, a copy of a Personal Qualification Statement, SF 171, and any supplemental forms will be completed and a copy of DD Form 214, should be obtained for all U.S. Military Veterans. Any substantial follow-up action will be recorded on the Recruitment Data Sheet. Assistance in completing an application or supplemental form will be provided. If an applicant needs assistance in completing the experience portion of their application, they may refer to the Experience Statement Data Sheet, HEP Form 13 (See Exhibit "D"). This data sheet is an example of duties and responsibilities for a specific job and applicants should only use this statement to assist them in recalling similar tasks or duties they have performed in their own work experience. The applicants should be careful not to list tasks or duties that they do not have experience or knowledge in.

Once the application, supplemental form, etc., are completed, they will then be reviewed by a qualified member of the program. A copy of the completed application, supplemental form, etc., will then be sent to each position for which applications are being accepted by the Office of Personnel Management (OPM). Appropriate and periodic follow-up is made by the applicant with OPM on the status of his application. If no response has been received within a reasonable period of time, a member of the program will be contacted so that a follow-up can be made by that program member.

If a test is required for a specific position, applicants will be counseled on preparation for the test by use of such references as the Arco Civil Service Tutor. This publication is available in the Public Library or can be purchased at most book stores. If applicants show a consistent pattern of not passing the required test, they will be counseled and given one-to-one assistance. Appropriate attention to each applicant is of prime importance and when interviewing an applicant, the interviewer should be alert to any individual who might provide assistance to the program. That information, when available, should be recorded in the Recruitment Data Sheet and possibly in the Volunteer Data Sheet, HEP Form 4 (See Exhibit "E").

An active file of available applicants will consequently be developed. Prior to filing the Recruitment Data Sheet, individuals' experience will be identified and their names will be listed on the Experience Category Listing, HEP Form 5 (See Exhibit "F"), which relates with area of experience and then matched to available position vacancies. The purpose of the Experience Category Listing is to have quick access to applicants in a specific experience catagory.

Applicants can then be referred to job vacancies in their area of experience as they occur. Use of other available systems or organizational listings, such as VOS (Vacancy Outreach Service) will also be made. If no position vacancies exist, the applicant's name is withheld until such vacancies become available.

Other forms that may be used by the Center are the Employing Agency Data Sheet, HEP Form 6 (See Exhibit "G"), Problem Data Sheet, HEP Form 9 (See Exhibit "H"), Item 20 Experience Attachment, HEP Form 10 (See Exhibit "I"), Hispanic Community Organization or Individual Data Sheet, HEP Form 11 (See Exhibit "J"), Special Skills Category Listing, HEP Form 14 (See Exhibit "K") and Appointment Data Sheet, HEP Form 15 (See Exhibit "L"). A copy of each of these data sheets is enclosed and its purpose explained.

B. Volunteers

The use of volunteers would be in accordance with existing Federal Personnel Regulations established by OPM.

If applicants wish to volunteer their time for the benefit of the program, they will complete the Volunteer Data Sheet. Each volunteer should read and understand the Volunteer Statement on the back of the form. A work assignment for a volunteer should be planned well in advance to assure that proper utilization of their time is made. The Daily Task List, HEP Form 8 (See Exhibit "M") may be used when necessary. A member of the program should work with the volunteer to assist, review and answer any questions the volunteer may have.

The volunteer must sign and enter the time in and out during their tour and a member of the program must verify the entry. The purpose of these entries is not only for the benefit of the program but for the volunteer as well. Each volunteer should be oriented on the objectives and goals of the program. As part of the orientation, the volunteer should receive two to four hours of training on the use and purpose of the data sheets, etc.

C. VRA (Veteran's Readjustment Act) Program (See Exhibit "N")

Special attention will be given to applicant with VRA status. These are veteran's with military service between August 5, 1965 and May 7, 1975. These individuals can apply directly for positions they qualify for at grades 1 through 7 in the General Schedule, Postal Field, Wage Grade or equivalent in other systems. They are not required to go to OPM to be placed on a register, take a test, etc., but they may utilize OPM for information of specific job vacancies, etc. Applicants should have not only a completed copy of the application and, in some instances, a completed supplemental form, but also a copy of their DD Form 214, "Armed Forces of the United States Report of Transfer or Discharge". When applying for a specific job, the applicant should review the requirements and qualifications to assure that their application and/or supplemental form(s) reflect that information. Assistance and counseling will be provided, if necessary.

D. Special Programs

When there is a need for special recruitment or temporary employees in one of the various Federal agencies, the Special Recruitment Data Sheet, HEP Form 12 (See Exhibit "P") should be completed. This applies to programs such as the Federal College Work-Study Program, Stay-In-School Program, Veteran/Student Work-Study Program, Temporary 700 Hour, One Year Appointment, etc. Exhibit "N" lists some of the better known Federal employment programs and appointments. Special recruitment efforts should be made for known traditional programs, such as the Summer Aide Program, prior to their announcement dates by having job fairs in local high schools and coordinating with state and local employment office as may be required.

## IV. CONTACTS WITH FEDERAL AGENCIES

Contacts with Federal agencies in the area will be made on a daily basis. The purpose of these contacts is to identify vacancies that exist and make referrals to those vacancies. These contacts will be made with the HEP Manager or his alternate, the EEO Specialist and/or a designated employee of their Personnel Service. Position announcements or vacancies will be listed on the Position Announcement Data Sheet, HEP Form 7 (See Exhibit "Q") and matched with available applicants on file having the specific experience and qualifications for the vacancy.

Also, a part of the program is to assist employees already in Federal government to achieve their upward mobility goals. If an employee wishes consideration for a position with other Federal agencies, a copy of the Employee Data Sheet, HEP Form 3 (See Exhibit "R") should be completed. A current copy of their application and other pertinent information should be attached to this form and sent to the Center for appropriate referral and follow-up. The employee should be encouraged to follow-up with and employee of the Center to update any information that may be needed and to receive assistance required. Each agency will automatically distribute their Position Announcements to the Center so that qualified applicants may be referred to these vacancies. Statistical and other pertinent information peculiar to each agency will be exchanged as may be appropriate.

## V. CONTACTS WITH OFFICE OF PERSONNEL MANAGEMENT (OPM)

A good working relationship should always be maintained with employees in OPM and it is important that they understand that the program works within the requirements and regulations of the Federal government. Contacts with OPM will be made whenever technical assistance is needed in such areas as recruitment, employment, etc. Regularly scheduled meetings with the Director, Office of Personnel Management and/or his designee(s) and the Director, Federal Recruitment Outreach Center and/or his designee(s) should be established to keep all parties informed on progress being made and to solicit advice and assistance when necessary. Quarterly reviews of the center's operations will be made by OPM with a report to the Chairman, FEB, to assure efficiency and proper manning within the OPM staffing requirements is maintained by all agencies. The distribution of such documents as Position Announcements, brochures and any other information pertinent to the program should be made to the Federal Recruitment Outreach Center. Minutes of the monthly Federal Hispanic Employment Program Manager's meeting will be sent to OPM.

## VI. CENTER GOALS

The Center's goals are quite evident, to increase the Hispanic representation at all levels of Federal government by recruitment, referral and follow-up with "quality" applicants at the grass root level. This entails working with individuals on a one-to-one basis. In this centrally located office, efforts will be made to fill positions that occur by referring qualified Hispanic federal employees from one agency to another, thus assisting in the employee's upward mobility goals and strengthening that agency's workforce. Aside from having a current file of applicants, a special effort will be made to develop a file of hard-to-fill positions. The program will function within the requirements and regulations of the Federal government system.

## VII. SIGNIFICANT ECONOMIC AND DEMOGRAPHIC CHARACTERISTICS OF THE TARGET POPULATION

According to the U.S. Bureau of Census Report as of March, 1977, 11.3 million persons of Spanish origin live in the United States (See Table 2), with 85% residing in metropolitan areas (See Table 3). It is estimated that Los Angeles County and the surrounding communities have a Hispanic Population of over 2 million. Nearly one million live in the county's San Gabriel Region. This region consists of 841 square miles and includes the cities of Alhambra, El Monte, Pasadena and Whittier. Another 500,000 live within a 45 square mile area located in the East Los Angeles area. Outreach contacts will be made in these and other Hispanic communities such as Santa Monica, Venice, Santa Ana, San Fernando, Stanton, Van Nuys and Long Beach.

As further evidence of the need to implement this proposal, according to the March, 1977, U.S. Census Report, the median annual income for Spanish origin families was substantially lower than that of families not of Spanish origin; $10,300.00 versus $15,000.00. Furthermore, along the income distribution, differences between Hispanic and non-Hispanic family incomes were markedly noticeable. For instance, in 1976 about 51% of the non-Hispanic families had incomes over $15,000.00, only 30% of all Hispanic families were in that income category. Also, while only 7% of non-Hispanic families had incomes below $4,000.00, Hispanic families were double that proportion at 14%. See Table 6 for the broad occupation groups of employed persons of Hispanic origin, 16 years old and over, by sex and type of Spanish origin and Table 4 for a percent distribution of employed persons 16 years and older by major occupation group, Spanish origin and sex.

Both male and female Hispanics hold a much smaller percent of the white-collar positions and a greater percent of blue-collar, service and farmwork positions than do non-Hispanics. Table 6 shows about 42% of non-Hispanics versus only 23% of Hispanic males in white-collar positions. This is less significant when compared to 63% non-Hispanic females. When comparing white-collar and service positions, Hispanics outnumber non-Hispanics with 58% male blue-collar workers to 44% non-Hispanic males; 29% female blue-collar to 14% non-Hispanic; 15% male service workers to 8% non-Hispanic males; and 26% female service workers to 21% non-Hispanic female service workers. Both female and male Mexicans hold a huge proportion of farmworker positions compared to other Hispanic and non-Hispanics. Table 6 reflects the need to provide Hispanics the opportunity to compete with non-Hispanics for better paying positions and not limit males to the traditional blue-collar and females to the traditional clerical positions. The function of the Center will be to deal with these and other employment needs of the community.

In 1976, Hispanic families maintained by a man, had a higher median income ($11,800.00) than did Hispanic families maintained by a woman ($5,100.00). This is noticeable throughout the income distribution of Hispanic families. For instance, about 36% of Hispanic families maintained by men had incomes of $15,000.00 or more, while only 7% of Hispanic families maintained by women had incomes at that level. At the lower end of the income scale, the proportional differences were reversed; only 4% of male-maintained Hispanic families had incomes under $3,000.00, however, 19% of female-maintained Hispanic families had incomes under that amount. These statistics clearly show the need to give Hispanic women the same employment opportunities as other groups.

The percentage of unemployment among Hispanics was significantly higher than the percentage of unemployment in the general population in March of 1977. About 11% of the Hispanic civilian labor force was unemployed, as compared to 8% of the total population in the civilian labor force. There is some evidence that the unemployment rate of Spanish origin women (13%) is different than that of men of Spanish origin (11%). Also, the labor force participation rate differed between men and women of Spanish origin; 78% of male Hispanics were in the civilian labor force as compared with only 44% of the women.

Presumably, because of higher fertility, the Hispanic population in March of 1977 included a substantially larger proportion of young persons than did the non-Hispanic population; about 42% of all persons of Spanish origin were under 18 years old, as compared to 30% of persons not of Spanish origin. The proportion of Spanish persons 65 years old and over was only about 4% as compared to 11% for the population not of Spanish origin. Furthermore, the youthfullness of Hispanics in the United States is substantiated by the median age (the age at which half of the population is older and half is younger). The median age for persons of Spanish origin in March on 1977 was 21.7 year compared with a median age of 29.6 for the population not of Spanish origin (See Table 5). The youth within the Hispanic population clearly indicates a greater need for employment opportunities than any other age group.

Hispanics in general, have larger families when compared with non-Hispanic families. The average number of persons in the Hispanic families was about four persons in March 1977, but for non-Hispanic families the average size was three persons. By contrast, about 39% of non-Hispanic families in March 1977 were families of only two persons, but only 24% of Hispanic families were that size. Because of the size of the family, the need for stable and adequate employment is quite apparent.

In 1976, about 600,000 families of Spanish origin; 23% of all Spanish families in the nation, were living below the poverty level. Lack of high school education for adults in the family, characterized these families with poverty status. In about 420,000 families below the poverty level (about 71%), the person maintaining the family was not a high school graduate. Immigration from abroad has contributed significantly to the Hispanic population. For example, in the seven year period ending June 30, 1977, about 766,000 immigrants were admitted to the United States from all Spanish speaking countries as permanent residents. These figures will be greatly affected by the most recent of immigration of Cuban refugees which, as of June 15, 1980, had reached a total of 112,000 persons. Many of these refugees will be relocated to the Los Angeles area.

## VIII. SOCIAL CHARACTERISTICS OF THE TARGET GROUP

East Los Angeles is the proposed area of operation. The target group will be bilingual/bicultural individuals, Vietnam era, World War II and Korean War Veterans, as well as other "quality" individuals of the general population. As mentioned previously, ongoing outreach recruitment will be made in other Hispanic communities such as Santa Monica, Santa Ana, Stanton, Van Nuys, Long Beach, Venice, and Pasadena.

## IX. ORGANIZATION

### A. Staffing

In order to provide an effective program, the Recruitment Outreach Center should be staffed by a least 15 bicultural, permanent, full-time and preferably bilingual employees (See Exhibit "S"). The Organizational Chart indicates the Center will have a Director, an Assistant Director, Staffing Technicians, Employment Development Specialists and Personnel Clerks (Typing). Please refer to Exhibit "T", which outlines the Organization Narrative for each position. Efforts will be made to recruit volunteers for some of the program needs.

### B. Center Location

As previously stated, the Center will be located at 923 North Bonnie Beach Place in East Los Angeles. This is the same location of the VA Neighborhood Health Center. Also located in the immediate area is the California State Employment Development Department and the Chicana Service Action Center Inc., which could prove very beneficial for the needs of the program. Space, furniture and equipment are or can be made available at no cost to the Federal government. Please see Exhibit "U" for a floor plan of the proposed Center. This area consists of about 1458 square feet and is adequate for expansion or to accomodate groups of applicants for mass recruitment and training purposes. The facility is within walking distance to the bus stop. The building is equipped with an alarm system and is leased by the Veterans Administration Medical Center (Brentwood) in West Los Angeles; lease cost includes all necessary building services such as maintenance and utilities.

Mr. DYMALLY. Our next witness is Mr. Bill McCann, member of the city council, Santa Fe Springs, representing one of the small cities in this county.

## STATEMENT OF WILLIAM J. McCANN, MAYOR PRO TEM, CITY OF SANTA FE SPRINGS

Mr. MCCANN. I am William J. McCann, mayor pro tem of the city of Santa Fe Springs. The city of Santa Fe Springs is some 18 miles from this location. Everything that happens in the urban area is directly related to the city of Santa Fe Springs.

We are in the proximity, I guess, as Arlington and Chevy Chase might be to the urban area of Washington, D.C. However, our community is somewhat different in that we have a 60-percent minority population, the majority of which would be Americans of Mexican descent.

I think what I would have to say would relate to all small cities, and that would be in the immediate area of the city of Los Angeles, which there are some 78.

Let me preface everything with the remark that the Federal role that has been played in solving major urban problems has been of extreme importance. We had a seminar last weekend of some 127 cities. As a result of what happened in Washington, D.C., I might state they were all in shock.

And whatever I have to say is all tempered by what has happened in the past. What happens in the future, I think, we are extremely concerned with and is going to have in our judgment a very, very negative effect on all operations of city government and other areas that deal with arts, the humanities, the economic condition, economic growth.

Those areas which I will just highlight, because I have a written text to present, is that the situation of energy, and maybe it is a recap of what you have heard all day today, is the cost of energy is going at such a rate that it is placing a real burden on communities.

Just today, there is a press release, press conference in San Diego, that one of the major aerospace industries is going to be forced to leave the State unless they can get a better rate on commercial energy.

And this is something that is facing all urban cities, because there is no way to pass it on. I am just talking about services as they relate to governmental agencies. This is compounded when you think of low-income and senior citizens.

The environmental problems which have been with us for some time are continuing to be more and more important.

The situation of the solid waste in California alone, as it affects cities, is extremely serious. In reality, very little has been done. In about 3 or 5 years, we will be running out of the major resources in urban areas, in this urban area, relative to waste disposals.

This problem, again, relates to cost-effectiveness on every individual, because, as you have to find new locations, if and when you can find them, the cost of transporting this refuse—unless a process can be found, I think that you, Congressman Dymally, and Senator Greene were working on, to use that to create additional energy—unless something like that is found, very serious problems are going to affect all cities and all urban areas.

The toxic waste situation is completely a political bombshell, where we have a hearing going on today in Sacramento, and they cannot get a quorum to attend because they know something has to be done, but there are no funds available to attack the problem.

In our own city, we have a serious situation. This is just one area of a quarter of an acre that will take over $1½ million to just clean up a toxic waste that is in barrels.

I am not talking what has been in the ground—but just laying within barrels.

The employment situation is probably the most significant facing the cities today—the underemployment and the unemployed. People falling into these categories do not have the financial resources to improve their quality of life. It creates a situation which local government is looking for a solution, and local governments can do something, but unless they have some Federal help and some State money to assist them, there is very little a community such as ours can do.

The Federal tax dollars, as you know, are dwindling. I could not help but feel the people who were talking here today were probably not all aware this time next year, most of them will be out of business or significantly understaffed from the present conditions, unless something drastic is done.

There has been some talk about the assistances of the private sector, helping unemployment and doing things.

We recently, in our city, which is heavily industrial, until the last 6 months, we had very strong support from industry in our city.

But when it relates to the new administration or it relates to a new philosophy in Government's attitude toward cities, or being good citizens of the community, or being in bad financial situation, I don't know, but we have had very, very sad—we had quite a bit of bad luck in trying to get their support.

We were trying to develop outstanding kids at least in our particular community, who could not afford to go to summer camp, to get contributions from service clubs and organizations to match the city on 3-to-1 basis.

In other words, the city would put up $3 for every $1 that the private sector does. We didn't get a dime.

So this attitude of industry taking a bigger share is something that I think—it is something that may not come about.

It deals also, I think, with perhaps a situation in housing. The shortage of decent, affordable housing, especially rental units, has reached, I think, as you are aware, not only a crisis stage, but a disaster stage. There is none.

And homeownership, as such—and I say our community is a medium-sized community. We have homes that are up for sale, maybe they are up for 3 or 4 days, because they are selling in the neighborhood of $80,000. And that is about all a familiy with two people can afford.

The median, I know, is well over $120,000 in the area. And what is available is in very, very short supply. It is a deep morale effect on all segments of the community, because in an older community where you are trying to do household improvements, most of those funds were made available by the Federal Government and will not be available in January.

The transportation situation is impossible in this particular area, and areas adjacent to it. I think the only thing that we have that is made in California on the road now was left by the late Governor Reagan—potholes. You take the situation that we have on the Century Freeway, that affects some 27 cities. It is actually sinful if you see a situation that has been started and because of Federal redtape, that has not gone anywhere. It is really a disaster.

And I am sure in some socialistic countries that someone would be hanging from a high tree on it. Because you just cannot leave a blank stretch there and nothing happens when you are in a bind for the need of transportation.

The senior citizens are something that I think also is a real problem in local communities as well as the Federal Government's concern.

According to the 1970 census, and I don't have the 1980 figures, 20 million people 65 years of age and over, about every 10th person in the United States—and it is growing on a daily basis.

You take these factors of increasing costs, increasing responsibilities, and this attack on some of the people—social security—and it is throwing problems on the cities.

It has just been growing in the local communities and in the smaller communities that are adjacent to an urban area. I think you can just walk around here today as you leave the park, and you can see what I mean.

People have no place to go and are just eating what is available to them. I understand, also, some of those funds that senior citizens have had on nutrition are also going to be at an end.

The public safety situation is a real serious situation. People talk about gang violence, about problems in the street. And at the same time, the city of Los Angeles turns down a referendum for additional police. It is getting to be a costly situation.

In our city, we contract with the county of Los Angeles. We will be paying about 33 percent of our budget on public safety. By paying that much, that means some items have to be sacrificed.

I might just say one of the items that is a disaster as far as the senior citizens and all people relative to low income and an urban area, is doing away with the section VIII housing.

This is not only going to affect additional housing, but again, it is going to be a situation where those people that want to better themselves, those people that want to have a role in the community and be good citizens, be dependent upon nobody by themselves, are just going to be left out on the streets.

I don't know what the solutions are going to be. But I do know the attack on all of these items from the Federal viewpoint is for less money to the cities, is going to be a disaster.

When we get into the block grants, I know we are getting the arguments that it is going to the State and the State is going to allocate it. You know what the State is going to do as well as we know.

It is not going to get done. Because, by the time it goes from the State to the county, there is nothing going to be available in any magnitude to do the job that has to be done for cities.

Also, we all know the money coming back is much less. I don't know the figures as to what the cut has been, but I know it is much over 80 percent less coming back, even to the States, than was done under prior administrations.

It is a serious situation. It is not a partisan situation when you get back to dealing with people. I did read in one of the comments that you did have in advance the idea of a possible Marshall plan for cities.

That may be a good name. I don't know what a good name would be. It may be the saving of the cities, or some terminology. But some program has to develop in which to help the cities of the urban area and those adjacent to it.

What we have in California—you get back to Detroit, Pittsburgh, Gary, Ind., and it scares the daylights out of you. I am fortunate that we have our committee out here getting some of the facts.

And with your permission, I will have one or two of the other representatives of the California cities make up some information and forward it to the committee to be a matter of record.

Mr. DYMALLY. Thank you very much. Would you please give us a copy of your testimony.

[The prepared statement of William J. McCann follows:]

## PREPARED STATEMENT OF WILLIAM J. MCCANN, MAYOR PRO TEM, CITY OF SANTA FE SPRINGS—REPORT ON PROBLEMS IN AMERICAN CITIES

### ENERGY

Right behind the rising cost of housing and unemployment, energy usage and conservation is probably the item of highest concern both nationally and individually. Cities are faced with rising energy costs for street lighting and gasoline to operate the various vehicles of its work crews. When these items reach such proportions that require reduction of other services, the local government heads are placed into a non-win position. This is a position in which local leaders have very little, if any, control. Energy costs are established in a complex system of Federal and State regulation combined with the international political relationships of an increasingly complex world.

### ENVIRONMENTAL PROBLEMS

Environmental problems will continue to be with us for sometime. The environmental movement seems to have entered an era of limits. The limits include the rapid increases of housing and energy, high inflation, and low growth rates, all combining to make people less receptive to environmental issues.

Another set of limits centers around the social aspect of the movement. The movement is now largely upper-middle class, liberal in convictions, bureaucratic and free-spending. Hardly popular characteristics of the past few years.

As a result, a new strategy of environmentalism has developed. New approaches to land use, water distribution, and air pollution problems will be needed. Some cities like Denver, St. Paul, and Evanston, Illinois have developed coalitions of tenants, landlords, and homeowners along with City government to issue low-interest municipally subsidized loans to rebuild their cities.

The City of Santa Fe Springs has, for a number of years, offered both municipally backed low-interest home improvement loans and Community Development block grant money to improve the City's appearance. The City of Santa Fe Springs has a full work force of six skilled carpenters in the City doing major reconstructive work and remodeling. The results have been tremendous extending the life of Santa Fe Springs' neighborhoods for several years.

## EMPLOYMENT

Probably the most significant problem facing the cities today is under-employment and unemployment. People falling in these categories do not have the financial resources necessary to improve their quality of life. This creates a situation in which local government is looked to for solutions. Local government is far more accessible to the unemployed. Unfortunately, local government frequently has fewer resources to solve or at least improve unemployment conditions.

The burden for utilizing Federal and State tax money to assist in meeting the necessities of the unemployed requires a significantly higher level thought, planning, and expertise on local government. As Federal tax dollars dwindle, this burden will be even greater. Local government leaders will be required to use their energies to form coalitions with business and industry to increase the number of jobs. Santa Fe Springs has done this through its Job Upward Mobility Program.

This program's primary goal is to seek out the under-employed and unemployed individual and place that person in a job that meets financial, social, and self-worth needs. The Santa Fe Springs City Council also recently approved a program of subsidizing the salary of local youth in local business and industry. This has created an advantage to the businessman, a worthwhile job to the young person, and an avenue that can possibly be expanded to employ many other Santa Fe Springs' residents.

## HOUSING

The crisis in U.S. housing has passed beyond a mere matter of the number of available units. It has become a social and economic crisis as well as a numbers problems and the prospects for the future are dim. Homeownership may soon be considered a luxury available to only a small segment of our society. The cost of new housing continues to rise, while the supply of existing housing diminishes.

## TRANSPORTATION

Public transportation is an obvious area in which collective action by all levels of government is needed. Whatever the mix of auto, rail, bus, that cities choose for themselves, adequate resources must be provided to cities to enable them to make that choice, for the private market will continue to place virtually all of its emphasis on the automobile since that seems to be the only highly profitable form of transportation.

## SENIOR CITIZENS

According to the 1970 census, there were 20 million people 65 years old and over, about every tenth person in the United States, and it is one of the fastest growing segments of our population. Statistics show that there has been an increase in the proportion of the elderly who choose to live alone rather than with relatives. This creates a need for additional and less expensive housing because their income level has declined due to inflation.

From what we know now, we can count on larger numbers of elderly in the future. They represent an untapped natural resource. How we use this vast potential is one of the great questions facing American cities.

## FINANCIAL MANAGEMENT

The management of financial resources has always been a primary function of municipal government. In recent years, the pressures of reduced revenues, spending limitations, double digit inflation, and the demands for more and better accountability have combined to greatly increase the complexities of decision making and create an environment of ever-expanding challenges for local government.

The voters, in placing revenue and spending limitations on government, have done so without offering much guidance as to just what they expect. It would have been nice if, along with "cut the fat", they would have identified what or where the "fat" is. It is a reasonable assumption that in spite of these protestations of government excess, severe service reductions will not be tolerated.

Hope for a reduction in the cost of government must come from two basic areas. First, decision making on the part of local government must be concise and done quickly. The people must know what the financial limits are and what alternative choices they have regarding municipal spending. Second, reducing the cost of government must come from improved financial management. Information systems measuring productivity needs to be developed. Municipal government must rise to the challenge of improving the overall financial management system.

### PUBLIC SAFETY

Today, more than ever before, and particularly in California, it is apparent that police and fire department design, as it is traditionally understood, is shrouded in a cloud of mystery. Many public safety departments appear to have been based upon unsubstantiated hypotheses with regard to design criteria and/or tradition. Key questions evolving from these traditional hypotheses are defining levels of service. Standards of measurement are not concrete. The result is one that questions the credibility of local government.

Serious discussion must take place about how public safety costs are going to be reduced. Most of the discussion to date has been how to obtain additional funds. The results have been disastrous, as noted in the recent City of Los Angeles election where the voters soundly defeated a proposal to increase taxes for additional police protection.

Local government must bypass tradition for efficiency and cost effectiveness. To date, public safety policy has been one of only providing one method of service. The public cannot truly choose a police or fire system unless alternatives are given, provided that choices for greater and lesser service levels are described in a truly accurate manner.

### SOLID WASTE

The problem of managing wastes safely, efficiently, and economically, is shared by every city. Littering, illegal dumping, and the lack of adequate disposal sites are also major concerns.

Since the explosive discoveries at Love Canal, public interest in landfills has blossomed. All levels of government and many citizen groups are demanding greater accountability from landfill operators and the government bureaus that regulate them.

No disasters have occurred at California landfills. But without serious attention to waste management problems, trouble could be just around the corner. The challenge is to control these problems before they explode into a crisis.

Mr. **Dymally**. Thank you very much.

Our final witness is Ms. Lois Eveloff Slavkin, who will conclude with some brief testimony.

Would you please identify yourself?

## STATEMENT OF LOIS EVELOFF SLAVKIN, SENIOR RESEARCH ASSOCIATE, THE PLANNING GROUP, INC., LOS ANGELES, CALIF.

Ms. **Slavkin**. I am Lois Slavkin. I am with the Planning Group, which is a nonprofit minority social planning firm in the Silver Lake area of Los Angeles.

I came here today not really at all to speak, and certainly not to speak on the subject I am about to comment on, but rather to learn all I could about the urban problems of the distressed areas in Los Angeles County, because I am currently involved in working on a project which involves 39 jurisdictions in the county, and looking for housing strategies for them. And I wanted to gain a perspective.

Mr. Wong was speaking of the increase in gang-related activities, as were some people who testified this morning. And I simply wanted to reinforce some of the comments that he made and make two recommendations.

Last summer, I participated in the designing and implementation of a survey which assessed the impact of Indochinese influx into the Hollywood community and the relation of that to interethnic tension within the schools in the Hollywood area.

Hollywood School, if I remember correctly, has 57 different nationalities and something like 98 different languages spoken.

The survey was conducted because there was observed a great increase in the incidence of gang-related activities in Hollywood High School.

We interviewed police, community, and school officials, the majority of whom felt that there were inadequate social service systems in the area for refugees. That the acculturation process was slow, that people were depressed, that families were breaking apart, that the Indochinese youth were gravitating to gangs. And primarily because the services were not adequate.

The Refugee Act of 1980, I believe, earmarked something like $200 million for special programs that would expedite the acculturation process.

My recommendation to this committee would be that it suggest to the Reagan administration that some part of those funds be used for the purposes stated in the Refugee Act to help ameliorate some of the gang-related incidents that could be attributed to interethnic tensions within the schools as a result of inadequate social service delivery systems for refugees.

The other recommendation simply would be that there be a needs assessment of the social services that presently are in existence for refugees.

In reading the Refugee Act, and in working with the refugee task force, I became very quickly aware that refugees really fall between the cracks in terms of dental, mental, physical health care services, as well as counseling, nutrition, language services, all kinds of benefits that the act earmarks for them, but for which they often do not get.

Thank you very much.

Mr. Dymally. Thank you very much.

This concludes our hearing today. I want to thank all the witnesses and the staff for what I believe has been a very productive day.

Thank you very much. The meeting is adjourned.

[Whereupon, at 3:40 p.m., the committee was adjourned.]

# URBAN CENTERS, WASHINGTON, D.C., AND THE FEDERAL ROLE

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## FRIDAY, FEBRUARY 12, 1982

House of Representatives,
Committee on the District of Columbia,
*Washington, D.C.*

The committee met, pursuant to call, at 9:55 a.m., in the School of Education auditorium, Texas Southern University, 3201 Wheeler Street, Houston, Tex., Hon. Ronald V. Dellums (chairman of the committee) presiding.

Present: Representatives Dellums, Leland, Gray, and Dymally.

Staff present: Donn G. Davis and Dietra L. Gerald, senior staff assistants.

The **Chairman**. The Committee on the District of Columbia will come to order.

My name is Ron Dellums, and I chair the District of Columbia Committee. I would like to begin by first reading into the record some prepared remarks that will establish the parameters of these hearings.

I would like to first begin by thanking my friend and colleague, Representative Mickey Leland, for his very able assistance and cooperation in bringing these hearings to the city of Houston.

I would also like to express my personal thanks to those of you who have agreed to come before us as witnesses and share your thoughts and ideas with this committee as we labor to pursue our jobs.

These are hearings of the full Committee of the District of Columbia. The focus of our inquiry is the condition of urban centers, Washington, D.C., and the Federal Government's role in assisting urban America.

We began these hearings in the second session of the 96th Congress. They were started because myself and several of my colleagues were convinced that the problems of urban America had reached a level of urgency which could no longer be ignored.

To this date—and I don't think the point can be overemphasized—there has been no lessening whatsoever in the severity of the ills that plague urban America. Deliberate attempts to obfuscate this fact by conjuring up devious labels and grandiose schemes, as is very obviously the case with the so-called New Federalism of this administration, does nothing at all to relieve our cities and their inhabitants from the staggering burden of unemployment, inflation, poor housing, and a host of problems too harsh and enormous to ignore.

These hearings, in fact, have documented the irony and cruelty of this hoax. The fact most commonly agreed upon by every knowledgeable witness who has come before us in the past is that local governments do not have the resource capacity to deal with problems of the magnitude that they face. Worse still, this is often coupled with a lack of will to deal with certain problems which affect those sectors of the population which are considered poor and without political power.

So, we must not stop calling attention to these problems simply because someone attempts to camouflage the failure of leadership and potential disaster by transferring responsibility—and inadequate resources—back to the local level where many of these problems began.

This kind of irresponsibility is one of the principal reasons why every major city in the United States has experienced civil disorders in some degree or one level of intensity or another since 1965.

All other conclusions aside, it is most evident that these tragedies have occurred because we callously ignore the fact that conditions are continuing to bring many of our fellow citizens to the brink of desperation.

Everything that we have heard during these hearings on urban problems suggests that we are now just as far down the road of deadly decay in our cities as we were before the Watts rebellion in 1965. In fact, some problems, such as youth unemployment, are now worse than they were in 1965.

Some of our cities have reached the scandalously high rate of 60 percent unemployment among minority youths, and there is every reason to believe that this will get worse as the severe effects of the Reaganomics and Reaganism continue and intensify. The problems of our cities are now legion, and the most common among them are well known.

Decent affordable housing in our cities is a thing of the distant past. The system of public school education is badly burdened and near the point of collapse in more than a few cities across the country.

Relations between police departments and citizens, especially minorities, are in many places now just as bad today as they were in the middle 1960's. Much of the decaying physical infrastructure of our older cities is rapidly reaching the point of no return. Then consider the frightening level of street crime that we experience all over America, and you have a glimpse of what our cities are facing today.

I don't believe in waiting for tragedy, that in my estimation, can be averted. I believe that we have an obligation to act before the misery and frustration in our cities explodes in bitterness and despair.

I would like to note here that we have not come to Houston because any of the problems that concern us are necessarily any worse in Houston than they are in any other city. We have good evidence suggesting that the worst of our urban problems are national in scope, so our stop in Houston is only one of several that we either already made or intend to make in different major cities, all of which are troubled by similar if not the very same ills.

Our principal concern is to look closely at the role of the Federal Government in efforts to solve major urban problems. We need to know more about how to maximize the effectiveness of Federal efforts to aid local communities, and it is clear to me that this will continue to be a crying need in spite of whatever you may hear about the so-called New Federalism.

We have been looking at a number of problems, and the Federal role in Washington, D.C. Last summer we were in Philadelphia and Los Angeles, and these hearings in Houston mark the continuation of our effort to compare what is happening elsewhere with what we have seen in Washington, D.C.

Again, I would like to thank my friend Mickey Leland.

Before I call our first witness I would like to yield to my friend and colleague, the gentleman from California, Mr. Dymally.

Mr. DYMALLY. Thank you very much, Mr. Chairman.

Mr. Chairman, friends, I am pleased to return to Texas Southern University to join our colleague, Congressman Mickey Leland, to look at some of the urban problems as they related to the Reagan budget and other proposed cuts in the Federal budget.

Houston is probably not as bad off as some other cities that we have represented, but it seems to me, given the analysis of the Reagan budget, that this city, as other urban cities in America, face some serious problems.

So, I am pleased that the Committee on the District of Columbia is beginning to focus attention on this national dilemma which we face in America. I am very pleased to join this effort.

The CHAIRMAN. I thank my colleague.

Just before we ask our first witnesses to come forward, I would like to make one additional comment.

I operate from the philosophical notion that a society answers the questions that it asks. The tragic reality of America at this particular moment is that I believe it is asking the most inappropriate and dangerous questions—How can we build a bigger nuclear bomb? How can we build a larger monument to military madness? How can we continue to engage in the dangers of superpower politics—rather than: How can we come together to see to it that our cities become monuments to our genius rather than monuments to some madness? How can we as people live with each other with some reason and sanity? How can we address the realities of the human misery of unemployment, inadequate housing, and education? How can we address the humane misery inflicted upon people because we have lost the capacity or will to address problems—or the desire to address problems, or is it that we don't have the necessary resources to do it?

Again, I think that part of what these hearings are about is to challenge America to begin to ask itself the appropriate questions: How do we enhance and sustain the quality of human life rather than how do we place it in further danger?

With those comments, I would like to bring forward our first three witnesses, who will make their presentations in panel form.

We had initially assumed that the mayor of the city of Houston would be here. Unfortunately, we understand that Hon. Kathy Whitmire is not able to be here, but in the audience is one of her representatives, who would like to come forward and make a brief statement on behalf of the mayor.

I would like to call that person forward at this time.

## STATEMENT OF JACK DRAKE, ASSISTANT TO THE MAYOR OF THE CITY OF HOUSTON, ON BEHALF OF HON. KATHY WHITMIRE, MAYOR OF THE CITY OF HOUSTON

Mr. **Drake**. My name is Jack Drake, assistant to Mayor Whitmire.

I want to tell you that we welcome you to our city. We are very proud to have you here in the 18th Congressional District, the home of our Congressman, Mr. Mickey Leland. I also want to tell you that we hope your meeting is very productive, and that your stay in our city is enjoyable.

Mayor Whitmire would like to have been with you today. We, too, are having some budget difficulties. Our city this week changed its fiscal year. She is now working on that budget and is unable to be with you. She sends her regrets. She will be joining many of you for the weekend activities Saturday, tomorrow, in our city.

The **Chairman**. I would like to thank you very much on behalf of myself and members of the committee and members of the staff. We would like to express our appreciation for the mayor's extended cordial welcome to us. We look forward to working with her. Whatever findings come out of these hearings that we deem valuable to the mayor in looking at the problems of the city or around the country, we will be happy to share them with her.

Please extend our thanks to her for allowing you to come forward. We understand the busy problems that she confronts.

Mr. **Drake**. I appreciate that. I will convey those words.

Thank you, Mr. Chairman.

The **Chairman**. Dr. David Perry, Department of Goverment, University of Texas at Austin; Dr. Robert Bullard, Department of Sociology, Texas Southern University; and Dr. Barton Smith, Department of Economics, University of Houston. If the three of you would come forward.

I would like to welcome all three of you before the committee.

Dr. Perry, you may begin in any fashion you choose. We will move to Dr. Bullard and then finally Dr. Smith.

## STATEMENT OF DR. DAVID PERRY, DEPARTMENT OF GOVERNMENT, UNIVERSITY OF TEXAS, AUSTIN, TEX.

Dr. **Perry**. Thank you.

It is a distinct honor to be here. Most of us who are teachers deal with the old adage that there are them that can and them that can't and those that can't usually end up teaching. I am pleased you asked me to come and try to participate with you.

When I started to prepare my testimony, I shared some of the same thoughts that you did, Mr. Chairman. The one thing that has concerned me in the last 10 years is the lack of a national direction in urban policy.

It seems as if we continue to try to decide that urban policy is either a central city suburb problem or a Sun Belt-Frost Belt problem or an Akron versus Houston problem. In many ways, as you said, it is a national problem.

When I was asked to testify, the first thought was to give you some basic information about this particular region of the United States. Then I thought, well, I think the more important tactic for me today and for you in this committee is to start to direct the national legislature and Congress toward creating a national agenda and, hopefully, the first national urban policy in this country.

I don't think we have ever had one. I would hope that we start our way to building one. If indeed there are urban issues that are national issues, I think they are cast in the following sort of direction:

The direction of American politics since World War II, I think, has gone this way. There is no considerable lack of irony in the fact that three-quarters of us live in cities, that cities are our homes.

Yet for most government officials, and indeed for most economic leaders, cities are not viewed first and foremost as the homes of people. They are viewed first and foremost as centers of profit. They are, as I indicate in my testimony, the battleground and playground upon which the most historic practices of capitalism in the world were played out.

In short, the city is the most formative social community in America's history. At the same time, it is considered more important for what it did economically than for how it has housed us and taken care of us.

The prime factors of the market, where they move from central city to suburb, or Frost Belt to Sun Belt, would have us believe that we can continue to fracture in economic terms our urban Nation. If the urban ground is found acceptable to the machinations of the economy, we all of a sudden have a healthy city.

Once the factors of production are no longer efficiently mixed on this ground, we are all of a sudden confronted with what is called urban crises. In short, the prime factors of the market, not unlike Pontius Pilate, wash the hands of the city and then leave the community in the ever-beleaguered hands of government and government leaders.

This is, of course, a colorful and oversimplified version of how the city and government and economy work. I think the lesson here is brought home when we take a look at the Federal programs designed since the Second World War to handle the problems of urban crises; that is, the problems that the market now finds it doesn't want to handle.

We have Federal programs that are designed under creative federalism, the new deal, the fair deal, the old deal, the raw deal, and placement of categoric grants. So what formulas would be used with community development block grants—would we shift the formula for more cities to be included?

We have been through that for a decade on the Hill. Each new Federal approach in essence seems to run after a central city problem or a suburb problem or a Frost Belt problem and Congress gets fractured itself. You get caught in the debate.

So, in essence, whether we want to believe it or not, somebody sure gets an awful lot of benefit over having a second war between the States or between Houston and Akron. It is hopefully time to put that war to an end.

Cities, in other words, and the citizens who live in cities, Mr. Chairman, are viewed as passive areas, to be acted upon—first by the market, then deserted by the market; first by one Democratic administration, then a Republican administration.

Here it is, the most important community, the place where we house ourselves and cities, and the people who live in cities have never been in a central position to actively create their own urban policy. They are using these conditions, especially with the New Federalism. I agree wholeheartedly with you on that.

It is in that light that I then thought that rather than talk in specifics, which are in the testimony to some extent, I thought I might as well suggest to you something different; that is, a thought about how to create an urban policy up front.

Now, lord knows this isn't well-formed but it is, I hope, a start. Let me suggest to you the outline of a proposal for the generation of a national urban policy and be done with it.

First, I think the time is long overdue for the formation of a full committee in the U.S. Congress with the distinct and absolute purpose of initiating and coordinating such a policy. Again, the city is the most important community in our history, and the Congress does not have a committee to respond to it.

Second, why the House of Representatives? Well, of all of the elected officials in Washington, the Members of the House of Representatives are the most directly responsible to urban constituencies.

Third, the policy should be at its inception a devoutly political process, I think in the best sense of that word, because the issues here are first and foremost political.

As I have already indicated to you—and the detailed evidence of other witnesses will bear me out—the cities of America are first and foremost communities of people. As such, the protection and enhancements of their homes, their neighborhoods, their employment centers should be the first set of priorities of any policy.

Any Federal policy which "revitalizes" a city, generates new jobs or houses or reinvigorates urban services and does not leave the lives of people living there at that moment revitalized, reinvigorated, or better served is not urban revitalization at all. It is a vicious joke.

Any market strategy of reindustrialization, public or private, new Federal program or new marketing program which increases the profitability of the region but does not increase the long-term earning potential of the residents who are there at the moment—not new residents who would be attracted by the new industry—is not a true program of economic renewal for the people who live in Houston or Akron.

Any housing or lands speculation program which moves present residents out of their homes and pushes financial control and financial capability for homeownership out of the hands of present local financial institutions and out of the control of potential homeowners represents the most unhealthy aspects of a revitalized housing market.

These programs, in other words, of marketing transformation that ask present residents and present local financial institutions to bear the costs and give up everything from their homes to their financial stability and competitiveness is really just about the worst thing one can say about how the market runs.

In short, the core of a national urban policy should rest on a political foundation of a well-designed declaration of urban independence for our Nation's urban citizens. These people are directly affected by the present politics of Government and economy.

Policies under the Reagan administration are the mischievous hand of economy. Examples of current agents of mischief are given in the testimony. No longer can we call the hands of the New Federalism invisible. The conditions of our people make the practice of economies very visible.

A policy is not complete without such a declaration, such a statement of political intent which I think your committee should start to inaugurate, a national debate over such a declaration because the first part is putting a political context on this.

The guts of this policy I think rests with a strong program of federally initiated and supported safeguards. Before the Federal Government can insure that any program will truly make the lives of the people of urban America more and not less vital by its implementation, Government should help direct the creation of clear guidelines, which must be met before public or private proposals for the transformation of the urban economy can be implemented.

This means, in essence, you should start a national debate not only on how to make the people more independent and a national policy of how these people will gain independence, but I think it also means that as you supply Federal programs and as you design the new programs that must be designed, as you pointed out, that safeguards be put there so those people actually receive that money, those programs, and that they don't continue to raise folly with the market.

The creation, in other words, of a national urban policy should be coordinated and supported by a new House committee. After these tasks are completed, the creation of a full committee of Congress in this debate, I think, should be inaugurated on what a national urban policy is and what the process of safeguards will be so that every program will start to guarantee those of us in city and suburb, Sun Belt and Frost Belt, a more even economic hand and a more sophisticated social service delivery system. Then I think possibly we can start to see these programs, any Federal program initiated in a real way.

I am going to stop here. First I will tell you I am disorganized at the moment and, second, as I said, the bulk of how this should be done is, I think, in the written testimony. I appreciate the opportunity of being here.

The CHAIRMAN. Thank you very much, Dr. Perry. Without objection, your entire testimony will become part of the permanent record. I appreciate your opening remarks.

[The prepared statement of Dr. Perry follows:]

## A DECLARATION OF URBAN INDEPENDENCE: THOUGHTS ON A NATIONAL URBAN POLICY FOR THE 1980's

Thank you. Mr. Dellums, distinguished members of The Committee on the District of Columbia, ladies and gentlemen. It is a distinct honor to appear before you today. You are the representatives of the people, the actors we depend upon to help us get on with our lives in the most human and creative of ways. In short you are the "doers." I am a college teacher and from the old addage of "those can do and those who can't teach," comes the doubly happy notion of how happy I am to be with you and add whatever a "teacher can" to these proceedings.

The history of our American cities is the history of our single most important form of community. From the very first days of European immigration to the "New World" urban communities were formed to rationalize the wilderness and transport the goods of this land back to Europe and to other sectors of the continent. Most of the colonists and most of those who followed them here were from town and urban settings in Europe. In short in both social and economic terms, the city has been, since the beginning, central to our national development. It has been the battle ground and the playground for the creation of the nation state. Therefore, just as it is the central place of our economic and political successes it has also been the central place of some of the most dramatic of our political social and economic failures. "Problems in Our Urban Centers," of necessity, go to the core of national stability. The more crisis-ridden our cities become, the more problematic becomes our national survival. Those who would turn their backs on the problems of our cities should do so with the knowledge that such lack of political and programmatic concern sets us at perilous odds with our historical successes of the past and with our ability to secure a healthy future as a nation.

Given such a central place in our national history, cities have been the focus, quite understandably, of various designations of social and economic growth and decline: city versus suburb, old cities versus new cities, Sunbelt versus Frostbelt and slum versus suburb to name a few. Further these designations of national change have also been the focus of a veritable litany of federal programs of domestic renewal: the New Deal, Fair Deal, Creative Federalism, Fiscal Federalism, and New Federalism. Debates have occurred at every step of the way over almost every phase of all these general approaches to federal, state and local policy formations: over granting formulas of block, shared and categoric natures; over the rank ordering of particular policy crises such as crime, housing, poverty, education transportation, health and the like. Every program, every intergovernmental relationship, every financing formula has had its successes and failures, its legion of supporters and detractors, its rightful day in the sun and its period of failure and unpopularity.

Ironically, while the city is the most important form of community we have every designed in America, most states and the federal government have never conciously designed a formal process which at once recognizes and reinforces the importance of our cities while also safeguarding the single most important feature of these urban places for more than three-quarters of our citizens—namely cities are their homes. The explanation for such a lack of formal policy structure is multifaceted. First the very importance of cities in almost every part of our life makes the creation of a well defined policy process appear, at first glance, to be an overwhelming task. Second, even if such a national policy process could be designed, it might, again because of the importance of the city, give too much political power to too few people. Beyond such political realities, are other reasons for our lack of creation of a federally sponsored urban policy. First, cities are, according to "Dillon's Rule" the Constitutionally defined "creatures of the States." They are not the legal responsibility, in constitutional terms, of the federal government. Finally, one last part of the explanation for a lack of a federally coordinated national urban policy must be discussed in some detail. There is no considerable lack of irony to be found in the fact that while cities are the homes of the majority of our people, they are viewed, by most leaders of government and business alike, as first and foremost centers of profit and not people. They are, as I said earlier the "playground and battleground" upon which the most dynamic economic execution of Capitalism has been carried out. In short for all their formative importance in our history, cities are viewed as the passive object, the ground upon which, the most profitable mixes of the factors of production will be placed. If the urban "ground" is found acceptible to the machinations of the economy, the city will emerge as a "healthy" city, one of the 'leading" communities of the nation. If the ground fails to appear fruitful, then it becomes a center of "crisis" and an example public policy "concern." In short the prime actors of the market, not unlike Pontias Pilate, wash their hands of the city and leave the community in the ever-beleagured hands of public officials. While this is of course a colorful and somewhat oversimplified vision of both the market and the government, the lesson here is brought to a heuristic head when we view the ever shifting debate on: federal programs, the placement of categoric grants, the shift in formulas used to disperse block grants and revenue sharing funds and the shifting politics of intergovernmental relations.

Each "new" federal approach attempts to steer a course through the shifts in market activities which cause a reoccurring definition over what is a "healthy" city and which new city is "moving into crisis." Rarely, in the broad sweep of federal urban programs, have the people of the cities held a definitive position in the direction of such policies. Cities are viewed as passive areas to be acted upon by both government and economic leaders—the people of the cities have never held a central position of action in the creation of urban policy.

I will return to this point in more detail in a moment, but now let me suggest to you the outline of a proposal for the generation of a national urban policy. First, the time is long overdue for the formation of a full committee of the United States Congress with the distinct purpose of coordinating and initiating such a policy. Of all the elected federal officials the members of the House of Representatives are the most directly responsible urban representatives. Second, the policy should be, at its inception, a devoutly political process in the best sense of the word. As I have already indicated to you, and as the detailed evidence I will soon offer suggest, the cities of America are first and foremost communities of people. As such the protection and enhancement of their homes, neighborhoods, and employment centers should be the first set of priorities for any policy. Any federal policy which "revitalizes" a city, generates new jobs or housing or reinvigorates urban services and does not leave lives of the present people of the city also "revitalized," "reinvigorated" and better served is nothing short of a vicious joke. Any market strategy of reindustrialization or plant site relocation which increases the profitability of the region but does not increase the long term earning potential of the present residents of a city is not a true program of economic renewal. Any housing or gentrification, or land speculation program which moves present residents out of their homes or pushes both financial control and financial capability for home ownership out of the hands of the present local financial institutions and potential home owners represents the most unhealthy aspects of a revitalized housing market. Such programs of market transformation ask the present residents and financial institutions to bear dramatic costs as they give up everything from their homes to their financial stability and competitiveness to larger investment oriented actors. In short the core of a National Urban Policy should rest on the political foundation of a well designed Declaration of Urban Independence for our nation's urban residents. They are directly effected by any of the present politics of government and economy listed above—policies which amount to what my partner Professor Alfred Watkins calls the "mischevious hand" of the economy. (Examples of current agents of such mischief are discussed below.) No longer can we call such a "hand" even "invisible"—the conditions the people of our cities live in are far from invisible. Past testimony before this committee and the testimony you will hear today gives substantial evidence of this. People need a policy of independence to help them protect against such malicious "mischief," and to bring the politics of the cities back into the hands of the people.

Third, a policy is not completed with such a declaration of human intent, the guts of such a policy must rest with a strong program of federally supported safeguards. Before the federal government can ensure that any program will truly make the lives of the people of urban America more and not less vital by its implementation, the government should help direct the creation of clear guidelines which must be met by public or private proposals for the transformation of the urban political economy. Such guidelines would offer direction for a more uniform and even economic life—taking into consideration the needs of local capital, local residents, local financial conditions in the public sector and local service delivery crises. The purveyors of market shifts and public policy approaches would also be served by knowing that their goals would be balanced by the goals of the people of the city—the most directly affected. The creation of a national policy which coordinated and supported the generation of such local processes of public and private sector invention and interface with local needs would put federal and state policies more in line with local needs and economic decisions in the first approximation of integration with local resources. What this really means is that we must at last begin to think about creating urban public policy which doesn't shoot from the programmatic hip and continue to exclude the most important player from the game—the everyday urban dweller and/or business person. The centerpiece of a national urban policy of this sort must be a process which places people and their lives at the forefront. The creation of a full House of the Congress on Urban Policy should inaugurate the national debate to create first a Declaration of Urban Independence and the Process of Safeguards to guarantee such independence for the urban citizenry.

After such tasks are completed the execution of national programs of urban housing, law enforcement, transportation, health and quality of life, urban renewal and poverty, will become far more potent and useful—integrated as they would be into a national statement of purpose and fairness for local and national market and government alike. (A local example of the successes and failures of such a process is now underway to a limited degree in Austin, Texas.)

Before moving on to more detailed discussion of some of the points raised above, let me add a further word on this notion of national safeguards for our nation's cities. The discussion over the creation of such a policy should include representatives from our nation's cities, business labor and public sectors. The major actors and citizens of the nation should be invited into the process of creating safeguards as a formal and legal definition of national urban intent. The safeguards would come about through negotiation and compromise over such issues as: jobs, housing, neighborhood protection, residential financing and taxation strategies, business incentives and federal supports, environmental protection, historical and cultural development and protection strategies, recreational needs, energy, transportation, crime and law enforcement strategies, etc. I have no idea at this moment how long or short the list might be—I do know however that the creation of a national urban policy needs to have a clear definition of political integrity and processal form before it goes back into the "program business." The federal role here would be to create political intent and processal direction for local versions of this strategy. Local versions would differ greatly from city to city and region to region, the type of safeguards set up in local areas would also differ greatly. But the content of the broad directions captured in a national policy would serve as a guide for local action.

The content of local guidelines or safeguards in cities would be designed by advisory or oversight task forces made up of the "directly affected" business leaders, neighborhood leaders, ethnic group leaders, artists professionals and other people of the city. What they set in motion would be a process which establishes thresholds or limits which any plan—private or public—would have to meet as the government and economy of a region was transformed.

The federal government could influence the execution of citizen and business controlled programs of urban change by increasing or decreasing the programmatic support granted a city on the basis of the city's attempt to organize its priorities in light of the needs of the directly affected interests of a city.

Let me emphasize the fact that the more clear and less detailed the federal activities in such a process the better. The most important public debate and execution of policy detail should occur at the local level. The role of a federal Committee like the one I propose for Congress would be one of political direction, oversight and financial support implementation.

As I read this, in its broad outline and simple detail, it sounds rather grandiose, mechanistic and simplistic. Let me emphasize, I am not suggesting this exact structure to you—the Lord only knows how inexact this presentation is. Indeed most of my evidence of how possible and difficult the local process of executing such a PROCESS comes from my experience with a similar pipe dream in Austin. We are still hard at work trying to make some semblance of this process work—over time we may succeed. Even the extent to which we fail will be fitting evidence of how little the leaders of Austin and other truly care for the people of Austin and how much they are concerned with pleasing the every whim of outside investors and industries (in town) who threaten to shift their plants if we do not continue to put their interests ahead of those of the residents. In other words, the very difficulty in getting all the players to the table to take such a proposal seriously is evidence of how important the proposal is. We all need a new form of national urban policy formation which shifts urban politics away from the old time business of Democrats who would initiate another round of urban programs without political focus of formal process and the Republican approach of throwing the cities into the winds of an unfettered "free market" hurricane of change. An urban policy for the 1980s must recast the debate, reshape the focus (to people before profit) and anchor new urban programs in a process of political renewal that gets the people of cites up front and into the middle of the decision making action. If this is not done, we will be left to contend with the malicious effects of the nostrums of the agents of "mischief" referred to above.

## THE ALTERNATIVES: PROGRAMS OF MISCHIEF AND MISERY FOR MANY IN URBAN AMERICA

Two highly divergent trends in urban policy making have led me to take the direction I have in this testimony. One is the innovative, if not wholly successful process the people of Austin Texas are now engaged in as they attempt to design a process that somewhat mirrors the outline suggested above. While a set of safeguards is still a future goal, the overall process of community involvement and power shift which has surrounded this process has yielded a broad range of new community-based initiatives and has altered, perhaps for all time, the tenor of the political debate surrounding citizen participation in every phase of economic development. On the other hand, the other trend is far less positive. This one derives in part from my participation in and observation of a variety of nationally based initiative designed to create a coherent urban policy. These approaches have left me disappointed, confused and even angry with the political creativity of our "national experts" and leaders. Let me explain this latter trend a bit more.

In the first seven years of the last decade, the Northeastern part of the United States lost about 1.9 million people and the North Central or Midwest lost over 1.5 million people. At the same time the South and West gained more than 3.4 million people. Overall, about 2.5 million of these migrants from the "Frost belt" settled in the South and one million settled in the West. Taking the Midwest as a particular case Professors Lowry in 1980 [1] and Watkins in a 1981 [2] study, both found that the cities of the Midwest were most adversely affected by the migration from their region Lowry reports that 56 central cities lost population nationwide in the 1950s, 95 in the 1960s and 190 central cities lost population in the 1970 to 1975 era. Watkins puts it more starkly, by 1975, 17 major industrial cities of the Midwest had lost more than 10% of their peak population in the past three decades: Akron, Canton, Chicago, Cincinnati, Cleveland, Dayton, Detroit, Duluth, Flint, Gary, Milwaukee, Minneapolis, St. Louis, South Bend and Youngstown.

Watkins goes on to report that even more ominous is the sign that these migrants are not just leaving for the greener development projects of the suburbs, they are leaving the area all together. Of the 52 SMSA's in the Midwest, 80% had an outmigration from the entire S A—only 10 had a net inmigration. Most of those with an inmigration were relatively small "college town" SMSA's. The industrial and manufacturing centers were dissimated with population and job losses. Watkins and I [3] have discovered similiar patterns in the Northeast part of the United States. The Northeast, at the turn of the century contained more than one half of the manufacturing and industrial activities of the country—today less than one-third of such productive activity can be found in this region. The South and West (or euphemistic Sunbelt contained less than one-third of such activities in the early part of this century and has rapidly moved to capturing over one third of such capacity today. These patterns of regional uneven economic development and the population shifts which make them up are heightened by the facts that in the Midwest manufacturing employment increased by only 4.2% while it increased by 41% in the South alone during the period of 1960 through 1975. In short, no matter how you cut it the "rise of the sunbelt" has been a real and attractive pattern of regional change for many economic decision makers, if not the residents of our nation's cities.

What is even more startling than this now familiar litany of the pattern of uneven urban economic development is the way with which such trends of urban growth and decline have been accepted by almost all the "important" leaders of both Democratic Party and Republican Party decisionmakers and urban analysts and consultants as well. Three examples should suffice to prove my point. Two involve meetings I attended and one is found in the report of the Presidents Commission for a National Agenda for the Eighties, Urban America in the Eighties.[4] For all these groups, the trends I have presented represented the warp and woof of the transformation of the national economy from an industrial to a "post industrial society." The Sunbelt obviously represents the regional validation of such a change in the means of practicing our mode of economic production.

Looking first to the Carter approach found in the National Agenda for the Eighties, the citizens of the Midwest and Northeast could hardly find a "National agenda" conducive to the goal of protecting their communities' homes and jobs. Early on the report sets the tone of things to come when it suggests that it will seek "to underscore the long term inevitability and desirability of this transformation (to a post-industrial economic base)." They go on to argue that any significant effort made to reindustrialize the older cities of America is doomed to failure." Policymakers should neither seek to restore the industrial city to its former form and function nor force urban society to perform tasks in ways and in locations that are no longer appropriate. Rather they offer an avenue for Federal urban policy where the federal government is asked to acquiesce to the redistributional trends described above and "assist communities in adjusting to redistributional trends . . . by removing barriers to mobility that prevent people from migrating to locations of economic opportunity and by providing migration assistance to those who wish and need it."

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[1] I. Lowry, "The Dismal Future of Central Cities," in A. Solomon (ed.) The Prospective City, 1980, (Cambridge Mass: MIT Press, 1980) 161-200.

[2] A. Watkins, "Capital Punishment for Midwestern Cities," B. Checkoway (ed.) Policy Problems and Prospects in the Metropolitan Midwest (Champagne Urbana Ill: University of Illinois Press, 1982)

[3] D. Perry and A. Watkins, "To Kill a City" (Austin Texas: Studies in Politics Series, 1979)

[4] President's Commission for a National Agenda for the Eighties, *"Urban America in the Eighties"* (Washington, D.C.: U.S. Government Printing Office, 1980).

At a meeting of the International Institute of Urban Design in Galveston, Texas, Professor Bondal Hicks, author of this report, went on to justify the impact of the Commission approach to urban change with a statement that, while not following every section of this report, the Reagan administration has fully accepted the inevitability of distributional urban inequity as the "shadow urban policy focus" of the present regime in the White House. It is as if, in this new political era of revearing the perspective of the marketplace and utilizing analysts who defer to its legitimacy without critique, cities are like non-recyclable Coke bottles—now that the contents (economic profitability) is used up, throw them away.

Speaking or urban analysts, I was also recently invited to participate in an advisory capacity on a national roundtable of urban analysts and public policy advocates who were called to Washington to advise an organization of urban leaders on their plans for designing an urban policy agenda for the 1980s. Here, at least, I expected to find a critique of national policy options which continued to view the city as simply the passive object of market force manipulation. However, the consensus of those in attendance was as chilling as it was clear: like a latter-day group of unreconstructed Social Darwinists they judged some cities of the Northeast and Industrial Midwest to be beyond "salvation." It was in the national (read economic) order of things for cities like Canton and Akron to die. We would advise our clients at this meeting to work on a policy which helped smooth the path to be taken by workers on their final exodus from such wasted urban containers.[5]

In short a growing number of politicians, business leaders, analysts and writers have come to believe that there has been a "second war between the states" and in the rubric of war not all wounded soldiers are fit to survive. The finite resources of government and economy are too limited. Some form of "urban triage" [6] is called for. It is better to put our limited resources less economically wounded cities in the northeast or potentially dynamic cities in the south and southwest (such as Galveston) than it is to continue to pour resources into the bottomless pits of the Youngstowns and Akrons of America.

Such rhetoric is not new to contemporary urban analysis. In fact it is just the latest round in an increasingly vocal and antiseptically sychophantic Greek chorus of public and private sector experts who accept the vicious impact of domestic economic development visited upon the people of American cities.[7] If such simplistic visions of the "Rise of the Sunbelt" prevail and, in the process, some cities/are dubbed a "worthy soldier" experiencing economic revitalization at the cost of a further diminution of federal supports and economic renewal in older cities of the Northeast, then, from the perspective of our national heritage and integrity, the "victory" in the chosen cities will be truly pyric.

The sanguine acceptance of all those approaches of the inevitability of urban death/growth pinioned upon the twin conditions of increased labor markets and decreased inflationary settings reduces the legitimacy of cities to the single national purpose of profit-taking. Therefore, labor should leave an "unprofitable" city and move to a "profitable" one—only this type of move can insure the "good life." The people of America and their urban communities are not the ultimate sources of their own destiny—rather economic decision makers (whoever they are) are the rightful gods of urban change. The myth of the Invisible Wand is alive and well in Washington and the Boardrooms of America.

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[5] Ibid.

[6] William C. Baer, "On the Death of Cities," Public Interest 45 (Fall) 1976, 3-19.

[7] Among others see; Baer, Ibid., Roger Starr, "Making New York Smaller," New York Times Magazine November 1, 1976, 32-33, (9-106, Norton E. Long, "The City as Reservation," Public Interest 25 (Fall) 1971, 22-38, and M. J. McManus and F. A. Weil, "No one is in Charge," Empire State Report, Oct-Nov, 1976, 364-375.

However, contrary to what these various uncritical approaches portend, the economic growth and profitability of the Sunbelt has not automatically led to secure jobs and high incomes. The studies Alfred Watkins and I have made of subemployment in the major cities of the North and the South have led to rather dramatic conclusions. First of all those living in the poverty areas of the major central cities of the "Frostbelt" and Sunbelt, poverty is not appreciably lower in the new growth areas of our region. In fact the level of poverty in the major cities of the Sunbelt is higher than in similiar cities in the Northeast. Second we discovered that the major source of poverty for almost 75% of households in these areas of Sunbelt cities was NOT unemployment but UNDERemployment. The converse was true for the vast majority of similiar households in the poverty areas of Northeastern urban centers. In short the major source of poverty in the Northeast is unemployment while a major source of poverty in the Sunbelt is the jobs people have. Put another way poverty in the Northeast is no longer profitable enough to hold business while poverty in the Sunbelt is part and parcel of its "good business climate." [8]

In conclusion, The "Rise of the Sunbelt Cities" or coming of post industrialism is far from a universal message of glad tidings. Indeed, it is simply the latest round of uneventful economic development which has rewarded entrepreneurial profit-taking and escalated labor and job insecurity in yet another region of the nation. The jobs and incomes of the Sunbelt have grown, but if history repeats itself, the bloom may soon be off the rose of Texas growth. Increased poverty and now increased joblessness are facts of life in the most prosperous cities of our state. No programs of job security and income stability are to be found at the State level, or the national level in the nostrums of Democrat leaders or Republican Reagan—whose "shadow urban policy" closely mirrors the approach of the past Democratic administration.

In short, in the past few months I have turned to the Democrats, the Republicans and to nationally-recognized urban experts (my professional peers?) and found the proposals they offer to be wanting. It is as if we had returned to the days of Tweedle-dee and Tweedle-dum. The apparently inexorable drive of the Invisible (read mischievous) Hand" has finally received a primacy long denied even the most ardent "free market" advocate. The people of America's cities should follow the exigencies of the market like the mythical Lemmings run to the sea.

## CONCLUSION

Given such a sorry range of options offered by the political and analytic elites, the need for an authentic political economic alternative is all the more pressing. Three cases come to mind immediately to further the argument for some type of urban policy replete with a national array of safeguards to protect the directly affected residents of urban America.

### CASE ONE: THE RAINEY STREET BARRIO, AUSTIN, TEX.

The Rainey Street area is located in the center of downtown Austin. It has been the residential community of a decreasing number of chicanos for the past fifteen years. The neighborhood has rapidly been transformed from one where the majority of the land homes were Chicano-owned to one where the center of the community remains Chicano and the rest is owned by outside investors. The land is central city lake-front property bordered by a park and cut through by a beautiful creek which has been the object of much tourist and cultural and arts revitalization. The barrio residents are poor and working class people who have been able to keep there homes because of a curious "safeguard" afforded them by the private sector. Over the past twenty years a variety of industries, auto repair shops and less desirable businesses such as massage parlors have ringed the neighborhood making the land less attractive for gentrification and condominum development than it would otherwise be. In short the very commerical development which would destroy the viability of most neighborhoods protected the community value of this area for the poor. Now that the "downtown revitalization" movement has invigorated the politics and economics of Austin, such economic penetration of the neighborhood no longer protects it from the speculative urges of investors in town and investors from as far away as Canada and Germany. In short, the economic forces of commercial and light industrial development literally "safeguarded" the residential integrity of poor people. But their communal needs have not been enought to legitimate their claim on their neighborhood as a barrio. Now that the land has reached an even higher value as a residential place for affluent Anglos, even the commercial and industrial uses are no longer a barrier to the ultimate destruction of one of Austin's oldest and most stable neighborhoods. A locally designed and nationally coordinated policy of economic and residential safeguards must be constructed to stop such a process of urban Devitalization from happening again.

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[8] David C. Perry and Alfred J. Watkins, "People, Profit, and the Rise of the Sunbelt Cities," in David C. Perry and Alfred J. Watkins (eds.) The Rise of the Sunbelt Cities, Beverly Hills CA: SAGE Publications, 1978.

### CASE TWO: THE FOURTH WARD, HOUSTON, TEX.

Here you have a community which has served as the "Mother Ward" the "melting pot" which has birthed Black, Jewish, Italian and other minorities into the American mainstream. The area is one of the most historic neighborhoods of Houston—people still live in the shot gun shacks and raise generation after generation of children there. Ask Ms. Thibideaux at your beauty shop Ms. Mary Helen Canaday. They will tell you. This is a community where the first free slaves in Texas came, appropriated land and built their homes. It is where they lost their ownership to other groups moving in. It is a place which is located between the richest residential area of Houston (Riveroaks) and the downtown office district. It is the place which a consultant (paid by the first funds ever expended by the city in the area, under federal auspices), argued that the best thing to do with the area was to tear it down and build new residential and commercial structures. It is the most valuable residential downtown land, perhaps, in the entire sunbelt. Yet it remains a black ghetto because it is "safeguarded", ironically, by one of the most awfully maintained and ethnically oppressed housing projects in America—Allen Parkway Village. The presence of such a housing project guarantees that rich whites do not want to live in Fourth Ward and the land remains a speculator's dream. The minute the federal government signs off on this woe-begotten project, is the minute that black people in Houston lose their lease on the "Mother Ward." In short the tragic and unkemp conditions of a federal housing project and private rental stock the main reason, that black residents of Fourth Ward are able to reside in their community (as they have for over one hundred years). It is ironic that the pain of housing project residents is the source of protection (or a "safeguard") for black people in one of the most historic communities in Texas. Obviously the federal government could design a better range of "safeguards" as part of a human urban policy.

### CASE THREE: THE CREATION OF A PROCESS OF SAFEGUARDS TO DIRECT DOWNTOWN REVITALIZATION IN AUSTIN, TEX.

The last example turns my very proposal on its head. When over two years ago, the people of Austin started to work on a process of creating a city wide group of "directly affected" downtown interests to control the revitalization-gentrification process in in the city, it appeared we would be dealing with local business, bankers, ghetto and barrio dwellers. Today, given them amalgamation of all but one local bank into state wide and national financial consortiums and the investment of German, Canadian, English and Middle East and Far East Money in land downtown, a task force of the "directly affected" would look less like a local government body than it would like a subcommittee of the United Nations. In short, unless we act quickly to design a national urban policy for this country, the issue of community control will pale before the politics of international finance. The cities of America, the citizens of America, are too important to our history and our future. They deserve a governmental formation which gives them the power to direct the political-economic destiny of their homesteads and economic livelihoods.

The **Chairman**. We will move to our next witness, and then we will begin questioning the testimony of the entire panel.

Dr. Bullard, we welcome you before the committee. You may proceed in any fashion you wish.

## STATEMENT OF DR. ROBERT BULLARD, DEPARTMENT OF SOCIOLOGY, TEXAS SOUTHERN UNIVERSITY

Dr. **Bullard**. Thank you, Mr. Chairman.

My comments will be directed primarily to the Houston situation and comparing it to national phenomena.

The quality of life that black Americans enjoy to a large extent is affected by the housing and economic conditions within our communities. As the black population in the United States is largely an urban population, urban housing and economic development policies have a direct impact on the future viability of black communities across the Nation.

The problems and issues and concerns that the black community face are pretty much the same in all cities. The problems of inadequate housing, declining neighborhoods, unemployment and underemployment, disinvestment in the inner-city neighborhoods, underrepresentation of blacks in the business arena, and the absence of a coherent community and economic master plan appear to be some of the major problems which face our major urban cores.

In terms of the Houston scene, many of the problems and concerns within the black community in Houston have gone unnoticed or have been deemphasized because of the overwhelming propaganda that has been displayed in terms of the boom aspect of Houston.

Believe it or not, there are some poor people in Houston. There are some poor neighborhoods in Houston. Houston's population has consistently expanded over the last 50 years. The black population in 1950 was 15,000 people. By 1980 the number of blacks included over 440,000.

Houston has one of the largest black communities in the South. In the mayor's urban advisory board 1979 commissioned study, one of the major findings of the study indicated that the housing problem in Houston can be focused on or can be centered around an uncoordinated policy of moderate and low-income housing.

There is no housing shortage at the top end of the income level in housing. The shortage tends to be at the lower end. Houston does not have a progressive policy on inner-city revitalization. This lack of policy has resulted in uneven growth and uncoordinated redevelopment strategies in inner-city neighborhoods.

In many cases the catch word "revitalization" has often meant exclusion and displacement. Those persons most vulnerable for displacement include the elderly, renters and blacks. In the cases where the families or households meet those three characteristics, displacement is rampant.

A good example on this case is Houston's Fourth Ward. That is one of the oldest black neighborhoods in the city. It is an outgrowth of Freedmen's Town, when the slaves were freed. This neighborhood is undergoing a tremendous bit of anxiety. It is under siege.

Because of the uncertainty surrounding the fourth ward, the city is looking at what has happened in the fourth ward, and that may be the handwriting on the wall. Most of the residents are black; most of them are elderly; most of them are poor, and most of them are renters. We can see that the situation there is a bad situation.

Housing discrimination is a national phenomena. Even though the Fair Housing Act of 1968 is 12 years old, housing discrimination is still with us; racism is part of the whole housing industry. Fair housing in Houston, the ordinance, dates back to July of 1975, so you can see that Houston was kind of late in implementing its own ordinance.

As of April 1979, Houston's Fair Housing Division had received over 1,200 housing discrimination complaints; 75 percent of these complaints are from blacks, 25 percent from Hispanics and 5 percent were from anglos.

Houston's housing discrimination activity corresponds to the growth pattern of the city. Most of the complaints occur most frequently in the southwestern section of the city, which has experienced a rapid buildup in multifamily dwellings, so these complaints are occurring in areas of low minority population.

Many of the practices employed by landlords and developers have evolved over several generations. The elimination of such practices will not be easy. Discrimination in housing in Houston has reached a level that makes it very easy to practice but more difficult to discern.

The redline is another problem in Houston. Redlining is a major problem in terms of the older inner-city neighborhoods. The barriers in selected neighborhoods have been lifted. Now we have the greenline.

We have neighborhoods opened up for revitalization or redevelopment, the back-to-the-city trend neighborhood where young households, middle-income families in many cases invest their sweat equity into renovating older inner-city neighborhoods. The size and number of these middle-income enclaves are pockets of plenty and have been expanding in almost all major cities across the Nation.

The decline in vacancies and the slowdown in housing construction without a corresponding drop in demand has created a housing shortage in Houston. The rediscovery of inner-city neighborhoods, accelerated by such factors as rising costs, the spiraling costs of new construction and the rising costs of older homes and the desire to live in near town neighborhoods, have placed a tremendous strain on housing in close and traditionally minority neighborhoods.

Again, the revitalization process has not taken place without some displacement and exclusion.

The fears and anxieties of residents being displaced are prevalent in many black neighborhoods in Houston. Residents feel threatened by the city's posture on neighborhood revitalization and preservation.

The residents of Houston's Riceville, Bordersville, fourth ward, fifth ward, and third ward all share a common struggle of trying to maintain a sense of residential stability, improve the quality of housing and municipal service and minimize displacement. Some neighborhoods are further along on this process than others.

Houston's fifth ward has not escaped the effects of long-term decline and displacement. The fifth ward is the home of Congressman Mickey Leland. Texas' 18th Congressional District is just north of the Houston central business district.

The development of the area dates back to the 1860's. By the onset of World War II it was predominately black. The fifth ward once boasted a thriving retail trade business district along Lyons Avenue. The social and economic vitality were disrupted with construction of two major freeways, which fragmented the community.

Traditionally and historically freeways, beltways, highways, and interstate changes have disrupted, cut off and affected the quality of life in black neighborhoods. In many cases this highway construction has followed the path of least resistance, which has meant black neighborhoods in most cases.

Another area which concerns Houston's black communities is the location of solid waste sites and landfills in black neighborhoods. A recent study I was involved in documents that landfills, solid waste sites and dumps are located in black neighborhoods disproportionately.

Again, environmental factors, negative kinds of activities tend to be focused or targeted for black neighborhoods more so than any other neighborhoods. It appears that black people in black neighborhoods, black residents want the same thing as other residents: To live in a neighborhood where the quality of life is amenable to rearing their children, attending public schools that have quality education and to be able to live a meaningful and worthwhile life.

In looking at the unemployment and employment picture in Houston, Houston is known for its development of jobs between 1970 and 1980. Houston led the metropolitan areas in terms of job development.

Looking at unemployment, Houston has one of the lowest unemployment rates in the Nation. As of December 1981 the unemployment rate in the Houston SMSA for December 1981 was 3.8 percent. Looking at the black unemployment rate, it was 7.5 percent. Looking at the black female unemployment rate, for the same period it was 9.4 percent.

A distribution of the employed blacks in Houston indicate that over 36 percent are employed in low-paying and low-status jobs. For those persons who relocate to Houston looking for heavenly Houston on the golden buckle of the Sun Belt without skills and without the correct education may find themselves in the unemployment office.

I take a quote from the Texas Employment Commission's summary report that says:

> Applicants who are classified as disadvantaged frequently experience great problems in their job search in the Houston area. Many of them are without personal transportation and depend upon public transportation during their job search.
>
> Job seekers of all races without requisite skills and aptitude, regardless of race, continue to experience problems. This holds true for older residents and newer residents who migrate from other parts of the country.

This leads you to believe that people who relocate to Houston without the necessary skills to find themselves meaningful employment may end up unemployed.

The Houston community in many cases has not used those Federal moneys that have been in low-income areas and depressed areas in a way to maximize the returns. Using the community development program, the block grant program, and the program in the mayor's office have done little to get financial reinvestment in the low-income neighborhoods. This cannot stimulate a true revitalization of poverty pockets.

So, we are talking about not being able to have an influence over the problems and issues that concern many blacks in the city.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Dr. Bullard.

[The prepared statement of Dr. Bullard follows:]

# BLACK HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT

## A CASE OF HOUSTON , TEXAS

by

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# BLACK HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT
# A CASE OF HOUSTON, TEXAS

## Introduction

The quality of life that Black-Americans enjoy to a large extent is affected by the housing and economic conditions within their communities. Thus, housing and community development activities are viewed as important elements in maintaining stable black communities. As the black population in the United States is largely an urban population, urban housing and economic development policies have a direct impact on the future viability of black communities across the nation.

While much attention has been focused on the growth and "boom" aspects of the Houston area, many issues and concerns of the black community have gone unnoticed or have been deemphasized. The problems that confront black Houstonians are not unlike those which confront other urban blacks in the northeast or midwest. Specifically, the problems of inadequate housing, declining neighborhoods, unemployment and underemployment, disinvestment in inner city neighborhoods, underrepresentation of blacks in the business arena, and the abscence of a coherent community and economic "master plan" for the black community are issue areas that confront virtually every black community in the United States.

## Black Housing Patterns and Trends

Houston's land area has continued to expand outward from a mere 9 square miles in 1850 to over 550 square miles in 1980.

The black population is located in a broad belt that extends from the south central and southeast portions of the city into northeast and north central Houston. Blacks remain a highly segregated group. Over three-fourths of the black residents in the city live in census tracts that are more than 70 percent black (Farrell, et al., 1978). The black population has shown a steady increase over the past thirty years. In 1950, there were 125,000 blacks in Houston (or 21 percent of the city's population). By 1980, the number of blacks in Houston had increased to over 440,257 (or 27.6 percent of the city's population).

The supply of low cost housing on the market in the Houston area has decreased dramatically since 1964. A Houston City Planning Department (1973, p. 33) report described this problem as especially acute for those neighborhoods which are in close proximity to Houston's Central Business District. The Mayor's Urban Policy Advisory Board (1979, p. 81) identified the major housing problem in Houston as the lack of a coordinated housing plan for moderate and low-income households. Houston does not have a progressive policy on inner city revitalization which results in uneven growth and uncoordinated redevelopment strategies in inner city neighborhoods.

While blacks are moving to the suburbs in larger numbers, no national trend of Black suburbanization has been demonstrated. A recent study by the U. S. Department of Housing and Urban Development (1979) revealed that the black share of Houston's suburban population decreased between 1960 and 1970 as white population grew at a much faster rate. Specifically, blacks comprised 13 percent of Houston's suburban population in 1960; the 1970 figure for blacks had dropped to less that 9 percent. It should be noted that black suburbanization often means an extention of the segregated housing patterns long typical of the central city; blacks often become resegregated in the suburbs (See Schnore, 1976; Grier and Grier, 1978; U.S. Department of Housing and Urban Development, 1979).

Housing Market Discrimination

It has been over 12 years since the Federal Fair Housing Act prohibited racial discrimination in housing in the United States. However, blacks still do not enjoy complete market freedom in housing. Federal fair housing enforcement efforts appear to have become a low priority (U.S. Commission on Civil Rights, 1979, p. 6). Houston's Fair Housing Ordinance became operational on July 9, 1975 (Houston Fair Housing Division, 1978). As of April 18, 1979, Houston's Fair Housing Division had received over 1,200 housing discrimination complaints; seventy-five percent of the complaints were filed by blacks, twenty-five percent were filed by Hispanics and five percent of the housing complaints were filed by Anglos (Edwards, 1979).

The pattern of housing discrimination complaint activity in Houston has come largely from the renter segment of the population. Housing discrimination complaints seems to correspond to the growth patterns of the city. Complaints are more frequent in the southwestern section of the city which has experienced a rapid build-up in multi-family housing units; and housing discrimination complaint activity is greatest in areas of low minority population (Bullard, 1979, p. 50; Bullard and Tryman, 1980a, p. 60). Bullard and Tryman (1980a) have decribed housing descrimination as follows:

> As many policies and practices employed by landlords, realtors, developers, and lending institutions have evoled over several generations, the elimination of such practices will not be an easy one. Discrimination in housing has reached a level of sophistication that makes it easy to practice and difficult to prove. (p. 61)

The practice of redlining continues to operate in the Houston housing market. The Southwest Center for Urban Research (1978) reports that a certain amount of natural discrimination occur against lower income neighborhoods who tend not to meet loan requirements of many lending institutions. Older housing and neighborhoods receive proportionatley fewer institutional loans; the lower availability of home improvement loans and standard mortgage loans in older neighborhoods may contribute to premature decline in those areas. The Southwest Center for Urban Research (1978) sums up this position in the following:

> Because Houston is a rapidly growing area that presents lenders with a large number of new preferable lending alternatives to older neighborhoods, it is likely that a combination of incentives to mortgage lenders coupled with public sector commitments to upgrade and maintain high levels of public facilities and public services in older neighborhoods will be required to attain mortgage lending. (p. 20)

Many psychological and financial barriers once associated with inner-city neighborhoods are gradually being lifted in selected close-in neighborhoods; this phenomenon is exhibited by the back-to-the-city trend among younger households who find housing bargains by investing "sweat equity" in renovating older inner-city houses. The size and number of middle-to-upper middle income enclaves or "pockets of plenty" have been expanded in many large cities across the nation (Nathan, 1979, p. 5; Long and Dahmann, 1980, p. 20).

### Rediscovery of the Central City

The decline in vacancies and a slowdown in housing construction, without a corresponding drop in demand, all contribute to the current housing shortage in Houston. The rediscovery of inner-city neighborhoods has been accelerated by such factors as the rising energy costs, the spiraling cost of housing construction (new homes) and previously owned homes, and the desire to live in neartown neighborhoods. Neighborhood revitalization of older inner-city neighborhoods has resulted in much improved physical amenities in the affected neighborhoods. However, neighborhood revitalization efforts have often fostered racial and ethnic exclusion and displacement of the incumbent residents. Revitalization activities tend adversely affect a disportionate number of elderly, minority, and renter-occupied households in neighborhoods that have been targeted for redevelopment (See National Urban Coalition, 1978).

Close-in neighborhoods in Houston have become "hot" and "where the action is" in the real estate market. In short, the inner-city neighborhoods of Houston have something that the "gentry" wants: near town older houses. Neighborhoods that were once given up as families made their move to the suburbs are now being reclaimed. Lower and moderate income families who can not afford to purchase the housing in these neighborhoods are caught between rising housing costs and a dwindling supply of low and moderate housing (Ashton, 1979, p. 43).

The fears and anxieties of being displaced from one's home (whether real or imagined) are prevalent in many black neighborhoods. Residents feel threatened by the city's posture on neighborhood preservation. The residents of Houston's Riceville, Bordersville, Fourth Ward, Fifth Ward and Third Ward all share a common struggle of of trying to maintain a sense of residential stability, improve the quality of housing and municipal services, and minimize displacement of the incumbent residents of these neighborhoods. Some neighborhoods are further along on these goals than others.

A classic example of a neighborhood under "seize" is Houston's Fourth Ward. The fate of one of Houston's oldest black neighborhoods is uncertain because of the small number of owner-occupied housing units in the area. As blacks gradually lost the ownership of the land in this neighborhood that was once known as "Freedmanstown" (e.g., blacks settled the area after the emancipation), they also lost an essential leverage in determining the future of the neighborhood. The neighborhood is adjacent to Houston CBD and occupies some of the most valuable property in the city. The incumbent residents of the Fourth Ward are vunerable to residential displacement as the vast majority are renters. The neighborhood has been allowed to deteriorate and decline over the years with few improvements and amenities. Extreme pressures will be brought to bare on the Fourth Ward when developers and the property owners (e.g., abscentee owners) feel that the time is "right" for redeveloping the area. The plans of the incumbent residents and the developers are likely to be inconsistent.

Houston's Fifth Ward has not escaped the effects of long-term decline and displacement. The Fifth Ward lies in the heart of Texas's 18th Congressional District; it is just north of Houston's CBD. The development of the area dates back to the early 1860's with major growth taking place during the late 19th and 20th century (Houston City Planning Department, 1978, p. 113). By the onset on World II, the neighborhood was predominately black. This neighborhood was one of Houston's largest black areas. In 1950, over 40,680 blacks lived in the Fifth Ward (Bullock, 1957, p. 61). The Fifth Ward once boasted a thriving retail area along Lyons Avenue. The social and economic vitality of the area was disrupted with the construction of two major freeways (e.g., I-10 and U.S. 59) which fragmented the community. Many residents were cutoff or isolated from the economic core of the Lyons Avenue Commerical District. A substantial amount of business disinvestment has taken place. Businesses have moved out of the neighborhood, young persons have moved to other areas. Crime and the fear of crime have contributed to the atmosphere of abandonment and urban decay which often discourage new business investments.

The Fifth Ward is included in both the city's Community Development Program (e.g., Block Grant Program) and the Economic Development Target Area. However, the residents have benefited little from either one of these programs. Problems such as a decreasing supply of low cost housing, high rates of unemployment and underemployment, inadequate public services, and industrial encroachment into the residential area remain critical problems in the neighborhood. While the neighborhood may have more than their share of problems, there is a strong determination of its residents to survive and make their neighborhood a better place to live (See West, 1979; Bullard and Tryman, 1980 ). Given the diversities and hardships that exist in the neighborhood, the area continues to make its mark on the social, cultural and political lives of blacks in the city.

## Black Neighborhoods and Environmental Concerns

Houston is the only major U.S. city which does not have zoning. As a result, the land use patterns in the city are somewhat sporadic. Lax enforcement of the city's deed restrictions in many black neighborhoods as well as industrial encroachment have affected the quality of life in many Houston neighborhoods. Historically, highway and freeway construction have followed the "path of least resistance" which in many cases meant black neighborhoods.

One of the biggest environmental and political issues in

Houston's black neighborhoods centers around landfills and garbage dumps. Black residents and community leaders have a great deal of concern that their neighborhoods have been traditionally used as the "dumping grounds" for Houston. A recent report entitled "Solid Waste Siting and the Black Houston Community" found that the resident fears were justified; a disportionate number of landfills were placed in black neighborhoods (Bullard, 1982). Over one half of the solid waste sites that were permitted by the Texas Department of Health between 1970 and 1978 were located in six black Houston neighborhoods (blacks comprised 27.6 percent of Houston's population in 1980). The Texas Department of Health permitted a total of six landfill sites to receive municipal garbage between 1970 and 1978 in Houston; five of the six landfills (or 83.3 percent) were located in predominately black neighborhoods at the time the sites were permitted; and the sixth landfill site is located in an area that is undergoing racial transition.

The current pattern of siting landfills was established nearly thirty years ago by the Cities of Houston, Bellaire and West University Place; the landfill sites that these cities operated in the 1950's were located in black neighborhoods. The City of Houston, for example, either owned or used four municipal landfills that were not permitted by the State. All four of the sites were located in black neighborhoods: namely, Sunnyside, Trinity Gardens and Acres Homes neighborhoods.

Citizen opposition to landfills and waste disposal can be expected to intensify and increase in the future. It appears that black neighborhood residents have taken a strong position on the issue of landfills in their area. Public opposition along with a shrinking pool of "cheap" land in the Houston area will likely force the adoption of alternative methods of waste disposal.

Black Employment and Unemployment

There can be little doubt that the economic boom that Houston is experiencing is attracting many individuals to the area. In addition, the Houston SMSA averaged a net employment gain of over 72,500 annually. Growth appears to occur at a disportionate rate in the professional, managerial, andclerical occupations. The Texas Employment Commission (1977) estimated that the professional and managerial jobs will account for over 32 percent of the net employment gains over the next six years; the clerical fields will account for nearly 25 percent of the gains.

The national unemployment rate as of December, 1981 was 8.9 percent. Texas and the Houston metropolitan area unemployment rates for this period were much lower. That is, unemployment in Texas was 4.5 percent in December, 1981 and 3.8 percent in the Houston SMSA for the same month. The black unemployment rate for the Houston area is higher than that for the area's whites or Hispanics. The July, 1981 unemployment rate for blacks (the latest figures available) revealed that over 7.5 percent of the area's blacks were unemployed; black female unemployment for the same period was 9.4 percent (Texas Employmment Commission, 1981).

The Houston SMSA contains over 2.9 million persons of which over 528,513 are black (or 18.2 percent of the area population); over 277,307 blacks were in the Houston area labor force. A distribution of employed blacks indicate that over 36.6 percent are concentrated in low paying and low status occupations as compared to 7.8 percent for white workers (See Table 1).

The Texas Employment Commission (1981) indicates that it placed over 5,022 applicants in June, 1981 in the Houston SMSA. Of this total, 57.3 percent were minority group members. During this same month, blacks accounted for one-third (33.4 percent) of the new applicants. The Texas Employment Commission (1981) summarizes the problems that many minority job seeker face in the Houston area as follows:

> Applicants who are classified as disadvantaged frequently experience great problems during their job search in the Houston area. Many of them are without personal transportatiion and depend upon public transportation during their job search....Job seekers of all races who are without requisite skills, education and aptitude, regardless of race, continue to experience problems during their job search. This holds true for both old residents and new residents who migrate from other parts of the country. (pp. 1-2)

The Houston metropolitan area is one of the leading areas in expanding job opportunities. The Houston SMSA gained over 669,700 new non-agricultural jobs during the decade of the 1970's; the greatest increase occured in the financial, insurance and

Table 1. Employed Persons 16 years and over by occupation for Blacks and Whites in Houston SMSA (Percent Distribution).

| OCCUPATIONS | WHITES<br>% | BLACKS<br>% |
|---|---|---|
| Professional, Technical & Related | 18.3 | 7.7 |
| Nonfarm Managers and Administrators | 10.2 | 2.3 |
| Sales Workers | 9.6 | 2.4 |
| Clerical Workers | 20.5 | 10.9 |
| Craftmen, Foremen and Related | 16.4 | 9.7 |
| Operatives, Except Transport | 9.5 | 12.2 |
| Transport Equipment Operatives | 3.0 | 8.9 |
| Nonfarm Laborers | 3.5 | 12.3 |
| Service Workers Except Private Household | 7.8 | 22.7 |
| Private Household Workers | .4 | 9.9 |
| Farm Workers | .7 | .9 |
| Total, All occupation, number | 652,062 | 140,498 |
| percent | 100.0 | 100.0 |

Source: Texas Employment Commission Labor Market Estimates Affirmative Action Information (December, 1980).

real estate, construction, services, and trade industries. It is estimated that nearly 41 percent of the new jobs projected for the Houston area throught 1995 will be in the services group (Texas Employment Commission, 1977).

These findings would lead one to speculate that those persons who relocate to Houston without the technical skills or the necessary skills will likely find themselves in the unemployment lines with those Houston residents who have similar backgrounds. This problem may be further exacerbated by the plans to close or phase out Texas Employment Commission branch offices in selected neighborhoods and the layoff of personnel.

Black Business and Economic Development

Blacks and other ethnic minorities are underrepresented in the realm of business ownership in the U.S. Nationwide, minorities constitute iver 18 percent of the population in the United States, but comprise less than 4 percent of the total number of businesses. The gross receipts of minority businesses constitute less than 2 percent of business receipts in the U.S.. The minority population comprised over 40 percent of Houston's populations in 1970, while less than 5 percent of Houston's businesses were owned by minorities (U.S. Bureau of the Census, 1971).

Minority firms tend to locate geographically according to the location of the minority population; twenty-two states account for 83 percent of the minority population and 84 percent of the minority-owned businesses. Black-owned firms also tend to be located in those cities which have large concentrations of blacks. The total number of black businesses has been increasing for the period 1969 through 1977. The metropolitan areas of Los Angeles, New York, Washington, D.C., and Chicago had by far the largest number of black-owned businesses in 1977 (U.S. Bureau of the Census, 1979). The Houston metropolitan area has experienced an increase in the number of black business enterprises from 4,376 in 1969 to over 6,693 in 1977 (See Table 2).

A distribution of the types of black-owned businesses in the Houston SMSA is presented in Table 3. Black-owned businesses are clustered around services and retail trade; these firms accounted for nearly two-thirds (63.4 percent) of the black owned firms in the Houston metropolitan area in 1977. The total gross receipts for these 6,693 black-owned firms was over 182 million dollars.

There were 48 black banks in the United States in 1980. Three of these banks were located in Texas: namely, Riverside Bank in Houston, First Texas Bank in Dallas, and National Security Bank in Tyler (Black Enterprise, 1981, p. 149). Houston's Riverside National Bank was the twenty-eighth largest black bank in the nation in 1980 with assest of over $15 million. Riverside Bank was founded in 1963 and sits in the heart of Houston's Third Ward.

There were 42 black owned savings and loans associations

Table 2. Number of Black Owned Businesses for Selected U.S. Metropolitan Areas 1969, 1972 and 1977.

| Standard Metropolitan Statistical Area | Number of Black Businesses | | |
|---|---|---|---|
| | 1969 | 1972 | 1977 |
| New York | 7,753 | 11,282 | 13,437 |
| Los Angeles-Long Beach | 8,318 | 11,057 | 14,576 |
| Washington D.C. | 7,768 | 9,726 | 11,601 |
| Chicago | 8,747 | 9,718 | 10,296 |
| Philadelphia | 6,246 | 6,278 | 6,681 |
| Detroit | 5,442 | 6,146 | 6,289 |
| Houston | 4,326 | 5,477 | 6,693 |
| San Francisco-Oakland | 3,358 | 4,313 | 5,732 |
| Baltimore | 3,522 | 3,994 | 4,500 |
| Dallas-Ft. Worth | 2,080 | 3,455 | 4,167 |
| Atlanta | 2,137 | 3,241 | 3,961 |
| New Orleans | 3,019 | 2,723 | 3,302 |

Source: U.S. Bureau of the Census (1979)

Table 3. Distribution Of Black-Owned Businesses In The Houston SMSA-1977.

| Classification | Firms<br>Number | Percent<br>(%) | Gross Receipts<br>($1,000) |
|---|---|---|---|
| Construction | 696 | 10.4% | 27,220 |
| Manufacturing | 54 | 1.0% | 1,176 |
| Transportation/Public Utilities | 990 | 14.7% | 21,581 |
| Wholesale Trade | 32 | 0.4% | 4,023 |
| Retail Trade | 1,626 | 24.3% | 67,630 |
| Finance, Insurance & Real Estate | 259 | 3.8% | 6,165 |
| Selected Services | 2,620 | 39.1% | 48,670 |
| Other Industries | 153 | 2.3% | 2,715 |
| Industries Not Classified | 263 | 4.0% | 3,185 |
| Total | 6,693 | 100% | 182,365 |

Source: U.S. Department of Commerce (1979).

in the United States in 1980. These black savings institutiions had assest of over $698 million. One of the 42 black savings and loans is located in Houston: Standard Savings Association. Houston's Standard Savings Association was begun in 1959 by Mack H. Hannah. In 1980, Standard Savings Association was the twenty-second largest black savings and loans in the country with assets of of over $12.4 million (Black Enterprise, 1981, pp. 153-154). This black savings institution is also located in Houston's Third Ward with branches in other predominately black neighborhoods.

The largest black-owned business in Texas is located in Houston. Smith Pipe and Supply Company of Houston is listed by Black Enterprise's (1981) "Top 100" as the seventh largest black business in the United States. Smith Pipe and Supply which was founded by George Smith in 1974 has experienced phenomenal growth; the company employs over 133 persons and had gross sales of over $48 million in 1980.

The continued success of the black-owned firms have direct implications on the economic viability of the black community. The recessionary spirals have a direct effect on the standard and quality of life in the black community. In any case, black neighborhoods and lower-income residents are hit the hardest by economic slowdown. A troubled economy often spells doom for many small and black businesses. Thus, economic redevelopment programs and reinvestment efforts are necessary first steps to make inner-city neighborhoods and and residents more economically self-sufficient.

## A Plan of Action

The problems and needs of Houston's black and lower-income neighborhoods have been documented. Included in these problems are unemployment, out-migration of affluent residents from deteriorating neighborhoods, neighborhood disinvestment, institutional discrimination in the housing industry, loss of lower and moderate income housing stock, and underrepresentation of blacks in the business arena. In an effort to combat these problems, a broad-based neighborhood redevelopment strategy is needed. The overall goal of such a broad-based neighborhood support mechanism would be to initiate and promote programs and activities which will attract business development and revitalization, employment and human services in black neighborhoods. It appears that all levels of government will do less in this effort. Thus, black residents, businesses, and those concerned about the future of black neighborhoods must take the initiative in promoting and financing private/public ventures of community development. In the case where there are monies allocated for community and economic development activities in local neighborhoods, black people must monitor the resource allocation process and make those administrators of such programs responsive to the needs of black people. Special efforts must be taken to see that monies that were orignially designated for "poverty pockets" in Houston are not diverted away from these areas into more affluent "downtown" projects.

Houston's Community Development Program and Economic Development Program which are housed in the Mayor's office have done little to promote economic and financial reinvestment in lower-income black neighborhoods. The leadership within both programs have not been innovative and aggressive in their pursuit of funding strategies that could stimulate a true revitalization of Houston's "poverty pockets".

The following action strategies are offered as a plan to mobilize community resources for lower and moderate-income neighborhoods in the city:

1. Strict enforcement of the city's Fair Housing Ordinance; revise ordinance to cover housing discrimination against families with children.
2. Strict enforcement of the city's housing codes and deed restrictions to insure neighborhood stability.
3. Increase public housing supply; improved maintenance, management, and security for current developments; develop program of private security force within public housing projects; and rehabilitation of current conventional public housing developments as opposed to tearing them down.
4. Public and private sector coordinate activities to re-emphasize ownership within central city neighborhoods; housing financing for moderate and lower-income housing; tax incentives for redevelopment and revitalization within inner city areas; and low-interest mortgage program.

5. Implement a neighborhood preservation strategy and policy which seek to upgrade existing housing stock as well as allow residents to remain in the areas.
6. Develop a formal policy on residential displacement for the City of Houston.
7. Improve neighborhood amenities within central city neighborhoods (i.e., public transportation, fire and police protection, shopping alternatives, and other public services); increase targeted funding for housing and residential services in lower-income neighborhoods.
8. Initiate and implement an aggressive and innovative housing rehabilitation program under the city's Community Development Block Grant (CDBG) program: action strategies to coordinate housing along with commercial and economic activities within target areas; encourage cooperative housing developments; and allow housing development efforts to coincide with capital improvements and other physical amenities that are scheduled for the affected areas.
9. Houston's current Affirmative Action Ordinance should be strengthened to promote minority business enterprises (e.g., creation of a Minority Business Ordinance).
10. The "free enterprise zone" concept needs to be fully explored as a strategy for business reinvestment and employment for depressed areas in Houston

Finally, future neighborhood and community development strategies in Houston need to take into consideration action steps that use neighborhood resources, generate commerical investment, provide expanded job opportunities to area residents, improve the quality and quantity of housing for lower and moderate income residents, and minimize residential displacement and racial/economic exclusion within Houston neighborhoods.

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The CHAIRMAN. Dr. Smith?

## STATEMENT OF DR. BARTON SMITH, DEPARTMENT OF ECONOMICS, UNIVERSITY OF HOUSTON

Dr. SMITH. Let me, if you will, just concentrate on a few key problems that I think are particularly important right now.

The first problem may not appear to be one that is typically considered an urban problem, but I think it has important urban overtones; that is, the problem of high interest rates.

It is debated whether or not high interest rates cause crowding out of private investments. One thing for certain is that high interest rates have generated crowding out of funds available for the local public sector, so that what happens today is that we have local governments having a terribly difficult time refinancing maturing debt or financing new social overhead capital expansion.

The latter, of course, is a very important problem for the city of Houston that needs rapidly to expand many of its facilities. Today we have municipal bond yields that are absolutely ridiculous. The tax burden to pay the debt service is rising substantially.

In addition to this problem, high interest rates have had a major impact on local housing markets. Real mortgage interest rates are about twice what they should be. This has generated a tightness in the housing market that affects all of society, not just those members of society who are looking for new homes.

Because of the tight money market we have less homes being built or less rejuvenation of older homes. This restricts supply needs, as has previously been mentioned, high or fallen vacancy rates, rapid rise in rents, which Houston has experienced, and seriously deters the city's ability to house all members of society.

I think this is particularly serious in a city like Houston, a city like Houston that keeps growing, because it hampers our progress toward upgrading the housing of low- and moderate-income households, it hampers our progress toward a continued integration within residential neighborhoods, it hampers our progress toward achievement of higher ownership and occupancy rates of minorities and young households, and it hampers our progress toward neighborhood revitalization, rejuvenation of the overstocked housing in some of our close-in neighborhoods.

Obviously, too high interest rates have an important impact on the local job market. The fiscal reproductions of this can be enormous due to tax revenues and increased payments that are required, as well as the social stresses created by frustrated workers.

In the past decade or so Houston has been reasonably insulated from business cycles. We have felt rather secure. Nonetheless, there has been some impact on Houston for no other reason but that the remains of floods of jobseekers coming to Houston from out of State looking to improve their economic status.

Yet today, though we have had a good record in the past, the slowing of the economy even in Houston has hindered the city of Houston's ability to accommodate these new jobseekers.

Furthermore, I believe that Houstonians are terribly naive if they believe the local economy is recession proof. There are certain aspects of the economy of Houston that make them terribly vulnerable to economic cycles in the future.

Another problem that I would like to talk about has to do with the basic problem of income redistribution. I would argue that all of the talk that we have heard with regard to urban problems and so forth, that the problems, if you really focused correctly, should not be one of protecting a city or a neighborhood, but they should be people oriented. In fact, really what we are about in terms of housing programs and neighborhood programs and so forth is trying to improve the well-being of individuals in society.

As a part of that, in all of these programs, we have really either directly or are indirectly involved in income or wealth redistribution. Either direct or indirect income redistribution cannot be carried out effectively at the local level. This applies to such traditional transfer payments as ADC, unemployment compensation, and aid to disabled or elderly persons.

It also applies to indirect transfers implicit in the provision of such things as education, houses and even such amenities as parks. For example, if the burden—especially the financing of such transfers—is placed upon local governments, local jurisdictions will tend toward fragmented units of homogenous populations, especially in terms of income, leaving the poor to care for the poor.

For example, experience has taught us that if education is accepted as national merit good, then financing cannot be limited to local jurisdictions. The same principle is true for most other programs involving income wealth transfers.

Current public reactions to transfer programs has its roots in basic inefficiencies of the programs of the past, and it is a natural reaction to the abuses of the public trust over the past two decades.

The waste and failures of HUD and what was HEW are legend. Billions and billions of dollars have been spent over the past two decades for social programs, and it has produced ever so little.

The solution to this problem does not lie in dumping programs back in the laps of the local governments but in the complete redeveloping of policies, and programs that need to be simplified and consolidated.

Overlap and contradictions among programs must be eliminated. There are just too many programs, too many bureaucracies, too many rules. Fiscal planning needs to be reversed. Obviously the problems of the past two decades of social programs are too numerous to enumerate here. Some examples might prove instructive.

Oftentimes projects are undertaken that would never be considered if it were not for matching funds. No rational government would have even considered undertaking costly feasibility and preliminary engineering studies for a fixed rail transportation system in Houston were it not for the hope of convincing the Feds in footing a large portion of the bill.

The result, of course, is not only the fear that Houston, because of the distortions of Federal bribes, will make a disastrous decision with regard to its mass transportation planning, but even worse, the result is of a continued postponement by decisionmakers in this city and others of other, more rational solutions to Houston's traffic problems.

Federal dollars in the past have always been capital or hardware oriented. Thus, systems are created where maintenance and operation efforts are slighter. So, we can have fancy new cars on the Chicago transportation system but no one to take care of them. We can have fancy new buses in Houston that break down in 6 months.

The development of cost effective solutions to urban problems, adapted to local needs and circumstances, is only possible with the evaluation of costs and benefits unencumbered by the distortions of matching grants that effectively alter relative prices as viewed by local decisionmakers.

In other words, if your mass transit subsidies are considered warranted, then lump sum transfers should be given, allowing the local jurisdiction to choose the optimum strategy, given the limited resources made available to them. In other words, if we decide that we need to subsidize urban transportation, then what we ought to devise is a very simple urban transportation revenue sharing program and allow the local jurisdictions to decide how they may best use those resources.

Similarly, housing programs have suffered from terribly poor incentives. We have had poor incentives both to the suppliers of housing and to participating households. Again, maintenance has been neglected. Housing choice and location decisions have been distorted.

Housing programs in the past, rather than solving the problems of the slums have promoted slums, rather than solving the problems of segregation have promoted segregation. They consist of a patchwork proliferation of programs that leaves more confusion than solutions.

Oftentimes, it has been my experience in the dealings I have had with HUD, over a considerable number of years, that there exists blatant conflict in policy objectives. For instance, with regard to programs of the Community Development Act there exists explicit conflicts between neighborhood-oriented policies, housing-oriented policies and people-oriented policies.

In this light I would highly recommend to you the proposal before Congress now with regard to the voucher system. The voucher system is a direct aid which minimizes bureaucratic costs. The voucher system provides a freedom of choice. The voucher system will help to promote integration. The voucher system provides correct marketplace incentives for efficient provision of housing.

For a voucher system to work, unfortunately it has to be put together correctly. One of the things is that it needs to be done on a percent basis, as opposed to a lump sum grant, as in food stamps. There must not be any restrictions with regard to the costs, which in the past has led programs to further segregation and further slum creation.

Perhaps most important of all, it needs adequate funding. Housing programs in the past have suffered from many, many programs with each one being given very little funding. I highly recommend to this committee that many programs be eliminated and consolidated and that the new programs that are deemed worthy then indeed be given the type of funding that is warranted and that will allow those programs to be successful.

In closing, I would like to say that I think that in many ways it is wrong for us to think that urban problems have not—that we have not made progress or that the problems have changed. I think to some extent they have changed.

All is not in despair. I think that we can look back at the past and say that progress has been made. Progress is probably made in spite of Federal Government attempts. We have spent billions and billions of dollars. We have gotten very little for that type of investment.

I disagree with the current administration that we should, because the policies of the past have been failures, eliminate any efforts in the future. I do feel that what we need to do is completely revamp our thinking with regard to our handling of urban problems and the implementation of a coordinated urban strategy.

In those regards, I think that I can second at least the comments of Dr. Perry with regard to the consolidation first politically and consolidation of concerns with regard to the urban economy, that if we begin to understand urban transportation, urban housing problems, relate all together, we have to create a political consensus to focus the problem as a whole.

Treat, as we have done in the past, problems on a piecemeal basis and we will just get more of the same, which is not an alternative, I don't believe, to the Reagan proposals.

The Chairman. Does that conclude your opening remarks?

Dr. Smith. Yes, it does.

The Chairman. I would like to thank all three of you for your remarks. I would like to indicate before we begin the questioning that we have been joined by two of our committee members, our distinguished colleagues Mickey Leland, of Houston, and William Gray, of Philadelphia.

I would like to begin the questioning with you. You mentioned earlier that citizens of Houston in the past have viewed Houston as insulated from those economic fluctuations that most other cities are confronted with.

No. 1, would you explain why Houston has felt this insulation and, No. 2, why now do you believe that Houston is especially vulnerable to the problems of the recession?

Dr. Smith. I think all you have to do is look at past experience to give you kind of a sense of comfort. We have gone through several business cycles over the past two decades. As the numbers were cited here, Houston's unemployment rate doesn't soar when the Nation's unemployment rate soars. Houston's economic base typically is a base that is not as sensitive to economic contraction.

I think the sense of security, to answer your first question, stems from the past. We looked at the 1974-75 recession and said my God, look what we did. The rest of the world was dying and we just floated right through that.

Now we look at a very severe recession that we are in right now and the economic picture looks very bright.

Why I think this economy is vulnerable stems from the nature of the economy, in particular, the economy in Houston, is tied very much to the energy sector. The health of the economy has been a bit illusionary in that the economy has been healthy because of growth itself.

In a period of capital investment you need lots of workers to build buildings and build plants and so forth. For instance, suppose that rather than the city of Houston simply dying because of a terrible slump in the energy sector; rather than its primary business dying, it just becomes stagnant? Suppose the energy sector peaks out here in the early eighties? Then, because it peaks out, it means that all of the new capital investment that has been pumped into this city during the late sixties and throughout the seventies will stop.

So, the new construction, the new buildings that have kept the employment rolls in Houston soaring will fall. It will fall not because the city is contracting per se, but fall simply because the rate of growth is declining.

I think that in the eighties, that we potentially have the—well, we are very vulnerable to cycles where a significant slowdown in capital investment will occur, especially a slowdown where capital investment in the energy sector will occur.

If alternative energy sources become feasible, if Houston does not participate in that, or if the energy industry moves in part to the West, Denver and so forth, just the slowdown in growth itself will hurt people.

The CHAIRMAN. You mentioned also in your opening remarks that we as a nation perceived public education—I am sort of paraphrasing—as an important value and that we should not leave the burden of financing that function strictly to the local community.

How do we reconcile the problem that—traditionally in this country—the political thought has been to leave the major funding of education to the local community so that you continue to maintain local control of public education.

I recall that as an advocate at the Cabinet-level status for education in the country, I argued diligently for that posture. Those persons who opposed the Department of Education from coming into existence were saying that it posed a major threat to local education.

So, how do we convince our colleagues that given this important value, that we have to expand the Federal funding for public education as opposed to leaving that function simply to the local community?

Dr. SMITH. I agree wholeheartedly with the notion that local control is particularly important. As a parent myself who likes to be able to confront the administration, the school administration once in a while with complaints, I appreciate the ability to do so without them saying, well, we are just following Federal regulations.

But I am also convinced that Federal funding of education need not detour local control. As you recall from our remarks with regard to housing, they might easily infer—and correctly so—that I feel that there have been some enormous benefits to a variety of types of voucher systems.

I mentioned the voucher system with regard to housing. I think a voucher system would be very productive, or something similar to it. I am open to a wide variety of innovative approaches that would approximate in a voucher system, that would directly aid students in order to achieve an education.

For instance, suppose that in Houston we were to give every school age child a voucher of $1,000 to be spent at the school of his choice? First of all, the effect that would have would force public schools, which would continue to be there, to be competitive, to provide the same quality of education that that student could get at a private school with some additional funding of his own.

In addition to that, it would allow a child to choose to go to any school that he could in the metropolitan area. You know, in part it would solve the problems of forced busing. It would be a complete volunteer system where you could choose to go to any school of your choice.

We don't have to have a voucher system. I am convinced that we can devise simple formulas for the transfer of much of the financial burden of education without similarly having an enormous amount of Federal regulation with regard to the education.

The States do this all over the country. We have States giving local jurisdictions moneys based on a variety of formulas that only have a minimum of requirements with regard to basic standards. I see no reason why we can't do the same.

On the opposite side, I think the problems of allowing the local jurisdiction to bear the entire brunt of financing themselves are enormous. We have had cases here in Texas and elsewhere in the country where we have gone so far as the Supreme Court regarding problems of the poor trying to educate the poor. It is not just the poor educating the poor. It is the poor providing all other types of social services.

Whenever you have any type of income redistribution going—that is, when one member of society perceives that it is receiving less benefit than it is paying taxes on—take the upper middle class. It is receiving less benefits from the local jurisdiction than it is paying in taxes. Of course it is because more benefits are going to the poor than what they are paying in taxes.

That is part of redistribution. When you have that type of system, you have enormous incentives for the rich, the upper middle class, to try to escape that burden.

That is a major part of the suburban flight in the northern cities, where you have a city like Chicago, where you have got over 600 fragmented jurisdictions, suburban jurisdictions, outside of the city limits of Chicago.

Two-thirds of the population of SMSA in Chicago lives outside of the city limits. You left the city of Chicago primarily with the poor to moderate income trying to support city services, and these merit goods for moderate-income people.

You are limiting, in essence, the basic redistribution nature of these services.

The CHAIRMAN. I would like to come back to you, Dr. Smith. I have a number of additional questions.

Dr. Bullard, I would like very much if you would first tell me—you mentioned a number of statistics with respect to the unemployment rate in Houston, but I was listening carefully and I didn't hear the unemployment rate among minority youth, black and Hispanic, in the city of Houston.

Do you happen to have those figures available?

Dr. BULLARD. I don't have those official statistics. They are not kept at the Texas Employment Commission, for some reason.

The CHAIRMAN. I mentioned that in some places of the country it is as high as 60 percent. Would you speculate it would be over 30, over 40?

Dr. BULLARD. In conducting the study last year in Houston's fifth Ward, we discovered that the black teenage unemployment rate was lower than the national black. We found it was something like between 20 and 25 percent were unemployed.

At that time, the unemployment rate among national black teenagers was something like 40 percent, I believe.

The CHAIRMAN. You know, this administration is suggesting that enterprise zones is the way to address the problems of urban America. Can you comment as to the efficacy of that program, as you understand it, in Houston?

Dr. Smith, if you would like to comment after this question, I would appreciate it.

Dr. BULLARD. I think the concept of free enterprise zones where you can get business and tax incentives to attract businesses in the area is a sound concept. But I think, in all practicality, I think many cases where you have businesses going into a specific area, I think it tends not to employ those hardcore persons that need jobs the most.

Again, if we look at—a case in point is Houston's fifth ward. In the production study last year we looked at redevelopment strategies, fourth and fifth wards. If you are familiar with the fifth ward, you will see that the area is surrounded by industry.

We surveyed 25 of the largest business corporations; industries in that area, in the fifth ward area. Very few of those industrial firms employed people from the fifth ward. In other words, they skipped over the fifth ward and got their employees from some other place.

So, I think the concept may be good, but I think history has taught us that whenever people are talking about hiring employable individuals, I don't think that private industry is going to pick up the slack and develop training programs, the programs where we are talking about getting individuals with few skills, those individuals that are at the bottom with their few skills, into the system.

What will probably happen is that they will probably cream off the top and get those individuals who will not take as much investment.

Dr. SMITH. May I comment on that?

The CHAIRMAN. Yes, Doctor.

Dr. SMITH. I think the program as envisioned is really representative of the problem we have in thinking about urban problems. One has to ask why in the world do we want to save the central cities or central businesses? Why do we want those reinvestments? Is it so we have new booming factories downtown or is it that we really want to help people?

My argument is that for the most part Americans think that these programs are devised to help people and that is why they vote for such a program. My feeling is that they won't help people. They will help landowners in areas that are depressed. They will help industry with tax breaks.

But unless those people attain the skills they need, we have still got the round holes with square pegs problem that is not going to solve the basic chronic unemployment problem, that we have in our central cities.

It is a people problem. It is not a place problem, it is not a thing problem, it is a people problem. The entire program is entirely off base.

Mr. **Leland**. Will you yield, Mr. Chairman?

Dr. Smith, I am concerned about what you are saying. The President has said also—and this is particularly regarding the enterprise zone concept—that where the Federal Government leaves off, the corporate, the private sector is supposed to step in and do more.

In that light, how do you see, in reference to what you said explicitly, that you don't think that this kind of program is going to do very much good? How do you see the private sector playing any kind of a role at all? Do you speculate that they will play a role?

Dr. **Smith**. I think the private sector probably ultimately is the key in playing the most important role in terms of job development. As an educator, I feel that a real inadequacy exists in higher education, in terms of really preparing people.

I know for every student I have the basic learning that he achieves in the classroom is going to represent no more than 10 or 20 percent of the real learning that he will get on the job that will make him a marketable person.

So, ultimately, what we really want to do is get people into job situations. I think the answer is a lot simpler. I think we give employment subsidies, simple, across-the-board, not because the plants are in this location or that one location, but we give employers incentive to keep people and give them meaningful employment, that will allow them to get job experience.

I also feel—by the way I am sure that not being a minority—I feel that we do have a serious problem with the minimum wage as applied to our youth.

The minimum wage—as you know, Mickey, most economists don't agree on a lot of things—but there is a surprising amount of unanimity among the economists with regards to the impact, the adverse impact of the minimum wage on young people, on teenagers.

It is these teenagers who for whatever reason drop out of high school, or just finish high school and don't go on to higher education, who desperately need simply the experience of a job, the experience of a job that will give them on the job training; enhance their human capital so that they can get better jobs.

I am strongly in favor of cutting back or at least altering the minimum wage program with respect to our teenagers.

But I do think that ultimately the answer is getting—getting the private sector. We need their help and we will probably have to bribe the private sector. But something so specific as just the private sector in these locations, or just this type of private sector or that type of private sector, is going to, as the Communists say, is going to generate more economic rents; that is, profits for these particular people than it is going to do good for society as a whole.

Mr. **Leland**. If I may continue.

The **Chairman**. I yield.

Mr. **Leland**. I am concerned that historically the private sector has done very little to help inner city residents and the poor in particular. How is it that we can presume, even if we offer some bribe, that the private sector will get involved to any substantial extent that we can realize any real benefit from what they do?

Dr. **Smith**. Well, first of all, I think one needs to be somewhat careful with regard to history.

Let me go back to the minimum wage for just a second and I will try to be more specific in terms of your answer. If you take a look at, for instance, minority youth unemployment in the United States, in the 50 States, people are surprised when I start quoting numbers with regard to minority youth unemployment in the 50 States. It was very low.

Oftentimes, it was lower than white male unemployment rates. That was, of course, before the minimum wage was going to these young people. On top of this, there is a basic economic rationalization of why it is not in the private sector's interest to train young people, especially, for instance, take a young person, 18, 19 years old, with just a high school education.

That typically, training that young person, the company has no ability to keep him, if they train him, then——

Mr. **Leland**. Doctor, I must contest your presumption. Because, let me say, how do you answer the issue of the fact that if you lower the minimum wage, or you cut the minimum wage requirement for employing youth, how do you respond to the issue of the private sector is going to fire their fathers and hire the sons concept? That is tremendously important as far as we are concerned, and because also we realize that though labor has made certain advances in terms of organized labor's——

Dr. **Smith**. That is just crazy, because fathers don't work in McDonald's and fathers don't work in industries where these young people work. Your assumption is that somehow fathers have no better or less skills than the sons do. That is just not the case.

Mr. **Leland**. The fact of the matter is that there are fathers and mothers who work at McDonald's, there are people who, though you might not consider their employment being meaningful, however skilled or unskilled their employment is——

Dr. **Smith**. Any employment is meaningful.

Mr. **Leland**. Thank you.

But at the same time, why should you pay a young person less money for doing the same job that an older person would be paid for, if in fact that person is employed, given that you are not talking about displacement?

Dr. **Smith**. Because in fact what you are doing is paying the young person more than a wage. You are giving him an opportunity to work, to get a job record, that simply, if you walk into an establishment today looking for a job, with the same type of basic skills, the same type of education and you are walking in as an employer, if you have had 2 years of job experiences versus the same individual who has had no job experience, the person with 2 years of job experiences, who has proved himself in the job market, will get the job. So you are literally paying this individual in terms of job opportunities.

Young people, young people who choose to work for lower—why would they choose to work for lower wages? Because it is giving them an opportunity to get that first entrance into the community.

Mr. Leland. If you came from the community I come from, which is the fifth ward, you are going to want to find the best job you can at the best salary being paid for working regardless of how old you are. The fact of the matter is that one thing that you failed to mention is that in many instances, more often than not, if I may express my opinion at this time, young people in families of poor people, particular in ethnic minorities, many times have to help to sustain their families.

But a tremendous burden is placed on the young people of ethnic minority communities, probably more so than any other community. Thus, they have to be the breadwinners in many instances. So you set a dangerous precedent by saying you are going to cut out the minimum wage requirement, and you are going to hire the youth just for the purpose of meaningful employment when—or meaningful employment that is good unto itself as opposed to meaningful employment that provides substantial wages to help to support the family.

Dr. Smith. If you can follow your argument for 1 minute, if the minimum wage then is indeed so good, and it provides these important benefits, why don't we have a $10 an hour minimum wage?

Mr. Leland. That is not the point I am making.

Dr. Smith. That is the point.

Mr. Leland. Dr. Smith, if you will pardon me, let me say to you that if you lower the—if you cut out the minimum wage requirement, business and industry very definitely are going to hire the young people of our society and fire other people, if you set that precedent.

Dr. Smith. If we raise it they will hire the young people and hire more fathers, right? So society will be better off there. I don't understand your argument. You want to give me an easy metric argument that it is not bad, it is bad to lower the minimum wage, but somehow it is not good to raise the minimum wage.

Mr. Leland. I think the price you pay for bribing the private sector is too high is what I am saying, I just want to know if you are arguing for the issue of minimum wage as opposed to prevailing wage, because prevailing wage is a whole different issue than minimum wage.

Dr. Smith. I am arguing that—I am arguing that what we need to do is eliminate barriers that will keep people from getting jobs.

Mr. Leland. But the barrier itself, if I may, and I don't mean to raise anybody's emotions in this whole discussion, but the barriers themselves are, for all practical purposes, more often than not, perpetuated by the private sector, not by the youth who need jobs and who need training?

Dr. Smith. They are perpetrated by government.

Mr. Leland. I yield back.

The Chairman. Dr. Perry, I see that you wanted to get into this discussion?

Dr. Perry. I think so. In fact, I know I do. I would like to try to summarize it, starting with your question, and then respond to something Mr. Leland said.

I think one of the best things that the U.S. Bureau of the Census ever did was to do some detailed studies not only of unemployment, and when we are talking about minimum wage and prevailing wage, we are talking about unemployment, but we also have something called underemployment. And, I think the best data that we have on that is not being done anymore, the Nixon administration stopped allowing the Census Bureau to develop a detailed—what Watkins and I have called a subemployed index.

Employed workers, unemployed workers, how many people are discouraged workers, that are people who would like to have a job, do not go down and sign up every 6 months and go to the Texas Employment Commission.

But people who basically have been signing up and going down and reporting in for so long that they are just discouraged. They are not held in the unemployment index.

Then you have people who are subemployed, as people working below the minimum wage, at the minimum wage, but most importantly those who do not make a wage, minimum prevailing or otherwise, that gets them above the poverty line, in any particular setting.

So you have underemployment, you have the hidden employed and you have the unemployed. The only figure we have been talking about here is one little part of that, that is the unemployed. What we did then was take the top 17 cities in the Northeast and the top 17 cities in the South and the West and we devised something called the Subemployment Index, which at one point in time I think is better than an unemployment index any day.

What we found out—we took a look at third, fifth, fourth ward conditions in a Houston or in an Akron or some place like that. We then asked—we then took the detailed interviews of the U.S. Bureau of Census in the poverty areas of our central cities and that is what the source of poverty was.

The basic source of poverty is no money. Good. How is it that people don't have much money in the North? We found out the major source of poverty in the North, for 75 percent of people living in central city areas, is the jobs they don't have. They are underemployed. They are discouraged workers. They will not work for the minimum wage because it doesn't make any sense to work for $1 in that area if, by God, that $1 keeps you as poor today as it did yesterday.

Second, what were the conditions of the South—the Sun Belt? The conditions south of the Sun Belt are just the opposite. The major source of poverty in the Sun Belt are not the jobs people don't have but the jobs they do have. The long and short of this is that poverty in the Northeast, Mr. Chairman, as I said earlier is an urban crisis. Poverty in the Sun Belt is part of the good business climate. It is in that context that this data starts to sell.

It is in that context that we can't consider this thing anything less than a national issue. If you start separating the healthy city from the unhealthy city, and subsidizing business to keep people healthy, the only healthy people will be the business people and everybody will be struggling.

Dr. SMITH. Can I respond to that?

The CHAIRMAN. Yes.

Dr. **Smith**. I think Dr. Perry would be surprised that I agree with him. I think the basic problem is that we need to separate out the employment problem and the poverty problem. That we have got people who work, that make insufficient an amount of money to really, exceed what we would call the subsistance level; something that we would think would be a minimum level.

That needs to be supplemented. We have people who are not working and we need to provide in the short run for them a level of living that will allow them to have that same minimum level.

But that is separate from the issue of getting people employed. One issue is getting people employed in the private sector and getting them on the track or development of human capital that will allow them to make it in this society.

The other issue is getting them to—up to a point where they have a minimum standard of living. We can eliminate the minimum wage and then we can turn around and we can provide a wage supplement. If in fact all they can earn in the private market is $1.50 an hour, we think that is disgraceful, they should earn more, we can turn around and supplement it.

Why not pay people a supplement to work as opposed to paying people welfare not to work? So the two issues can be separated. I agree fullheartedly that most of what we call our urban problems indeed are poverty related. That is why I stressed so much that the programs that we have really, when you boil them down, are income redistribution programs.

The **Chairman**. Dr. Smith, I have a sneaking suspicion that Dr. Bullard and Dr. Perry probably don't agree with that latter comment. I would like very much if they would make a statement that would add to the diversity of these particular proceedings.

Dr. **Bullard**. I agree with Dr. Perry in that it is possible for families to work at the minimum wage in this country and still be below the poverty level. That is a tremendous problem. I think it is erroneous, when you look at teenage unemployment in 1982, and teenage unemployment—black teenage unemployment in 1950, because you are comparing apples and oranges. In 1950, most black folks in many cases lived in the South, and you were talking about basically a farm, rural-oriented kind of situation.

Now, we are talking about teenagers not employed because if they lived in the South, they were raking leaves, picking cotton. We are talking about 1982, where we have a very technically oriented society.

In many of those cases, those individuals have dropped out of school with no skills, the jobs that were—could have been available in 1950—are no longer available today, and so we are talking about, in many cases, individuals who may be economically obsolete in the current situation.

If no economic stimulus is put in place in terms of a national policy to deal with this, I don't think the local industries are going to deal with it, they have not dealt with it, in many cases they have contributed to the whole process because in many cases black adults, or minority adults, are still discriminated against.

We have to realize racism is still a part of American society. When you are young, unskilled, and black, you have three strikes against you. That is just plain and simple.

The **Chairman**. Dr. Perry?

Dr. **Perry**. I think that the—again, I would like to come back and point out that in Houston, and I don't have the Houston figures exactly, the last time we could get this data for all of the categories—I would suggest to you if you have any influence with the committee on the Bureau of the Census, you start getting them to do this data again so we can get a correct measure of economic pain in this country.

There are two things. The process of subsidization, you talk about, I think is something that would be terribly applauded by every business in this country. In essence, do we not only spend—the Federal Government spends a fair amount of time in defense expenditures defining exactly what products are going to be made in this country now and then letting Lockheed have all of its capital costs picked up, this form of subsidy program now says the Federal Government ought to subsidize capital payment to labor as well.

It sounds as if—this sort of a proposal is one that says that the Federal Government ought to start to pick up poor capital burden for paying its workers. I think basically it is the other way around.

The reason I say that is that even without this form of subsidization, at this time, you would have to start talking about subsidizing 68 percent of all of the employed workers in the Houston area, the Federal Government would have to start picking that up and therefore——

Dr. **Smith**. Sixty-eight percent of the impoverished.

Dr. **Perry**. In the area of fourth and fifth wards, in those wards, 68.4 percent of those people are subemployed. In essence, that means putting together a Federal program to support business coming in there and picking up that form of burden.

I think basically the burden should be—what we need to start talking about in this country are safeguards to protect people from having to be subemployed. I mean—43.9 percent of all—of all of the people who live in these wards basically are unemployed because they are part time, they make between zero and $2 an hour or between $2 and $3.58 an hour at this time.

That type of situation is good business for business people. It is bad business for people's lives. In essence, your solution perpetuates that.

Dr. **Smith**. What is your suggestion?

Dr. **Perry**. Well, my solution basically rests with the testimony that I gave earlier.

The **Chairman**. The Chair would like to—in a moment I will yield to my colleague, Mr. Gray, I have a couple of broad questions I would like to ask.

Dr. Bullard, you mentioned in your testimony that Houston does not have a "progressive inner city revitalization plan." Dr. Perry, you mentioned the need for an enlightened urban policy. I would appreciate it if, first of all, Dr. Bullard, you would give us what you perceive to be (a) the priorities of a "progressive policy," and (b) what do you perceive to be the present and future role of the Federal Government in facilitating that, and Dr. Perry, I would then like very much if you would respond by giving us what you perceive to be the ingredients and priorities of an "enlightened urban policy?"

Dr. **Bullard**. In looking at the city's current posture toward revitalization, it appears to be sporadic, uncoordinated, and in many cases does not exist, it is nonexistent. Revitalization is taking place in Houston whether the city is involved in it or the Federal Government is involved in it. It is basically stimulated by the private sector, with no program and no plan, it appears to be a hidden agenda.

The agenda is that the neighborhoods that are close in are hot and the affluent want these neighborhoods and they are getting ready to reclaim them.

I think the city of Houston needs to develop a revitalization strategy or reinvestment strategy for these neighborhoods which attempts to make sure that the incumbent residents in those areas can participate in the revitalization process, which will minimize displacement, but also continue to provide a sense of community within these neighborhoods.

We are talking about areas that have, for long periods of time, been associated with black neighborhoods. So now, we have the process of revitalization taking place, which in many cases may not be necessarily in the best interest of the residents.

The example I cited was the fourth ward. Right now, the fourth ward is on a holding pattern. The city right now—the history of the community development block grant program in the city of Houston systematically did not allow the fourth ward to become part of the community development program.

The **Chairman**. You said it was under siege in your testimony?

Dr. **Bullard**. It is under siege, the people there are anxious, they don't know what will happen in the neighborhood; they are powerless in terms of having the leverage of ownership. In most cases, the area is rented, it is controlled by a handful of people.

Again, the residents there are mostly black, mostly old, and mostly renters. The ultimate destiny of the neighborhood lies not within the community itself. It is my opinion that the only thing that is holding off the redevelopment on the area is the coming on line of the 69th Street sewer plant. As soon as that comes on line, when the sewer moratorium is lifted and then the green light would be given—and I think if some type of policy is not put in place in terms of an official policy on displacement, whether it is direct or indirect, I think we were going to see a massive amount of displacement within that neightborhood.

The city does not have zoning, it has what is called deed restriction. In many black neighbrohoods, deed restriction is just a joke. That may be the only means of controlling and stabilizing a neighborhood. In black neighborhoods, these restrictions are not enforced. That means areas are systematically left to decline.

As soon as the area becomes ripe for redevelopment, we start to see jogging paths and bicycle lanes and streets and sidewalks being put in. That is a signal. I think there must be and needs to be an urban policy from the national level coming down, and also at the local level, that is stimulated and that is encouraged by the citizens.

The Chairman. Let me ask you, while I have your attention, where do the people go who are displaced in low-income communities? In previous testimony in other areas, what tends to be the process is that people move, are pushed out of one low-income community, they then are pressed into another low-income community, they then get displaced into another low-income community. You end up in a situation such as we had in Miami, where more than one family is pushed into very small quarters.

In that context, people emotionally either explode on one another or they explode outside. We all saw the practical effect of that. So, where are people moving and do you see the potential for that kind of crowding in?

Then I have one additional question and we will go to Dr. Perry.

Dr. Bullard. That possibility is always there. When you have individuals that are displaced and you have individuals where we are playing human dominoes, pushing families out of one neighborhood into another neighborhood, at some point they reach a point where you cannot push people any longer.

I think the neighborhoods, the fourth ward, for example, where do the people go when they are displaced? Do they come to third ward and fifth ward where they may also be displaced? Where do they go? I don't think that question has been answered. There are no answers right now.

Mr. Leland. Mr. Chairman, if you would yield on that point. Dr. Bullard, I am really concerned about the Clayton Homes, for example, which is a federally funded housing project. The people there are most desperate and they live in probably the most squalid conditions of anywhere in the country right here in Houston, Tex.

I am concerned that that community has been cast aside by politicians on a local level. They are saying these people who are living there have been forced out of other housing projects into this housing project because they are the castaways, these are the people who supposedly are the troublemakers in the other housing projects so what they have done is they put them there, and I heard this from one local politician, I might add.

What is happening is that they are slowly getting the so-called few good people out of there and putting them in a housing project in the fifth ward, but they are going to run these people off somewhere and they will wipe out these Clayton Homes and build something new adjacent to the downtown community.

What is your comment on this?

Dr. Bullard. I think your observations are correct. Along the same line of Clayton Homes, I think another analogy can be drawn with Allen Parkway Village. That is in the fourth ward. I did a 1976 study on Allen Parkway Village, at that time about 85 percent of the people there were black.

You look at Allen in 1982, and over half are Vietnamese. Politically we are talking about whether Allen Parkway Village should be torn down, fourth ward razed and start all over again. It causes less flack to displace Vietnamese in Allen Parkway Village than to displace blacks in Allen Parkway Village.

So whether it is by design or happenstance, Allen Parkway Village is becoming more and more Vietnamese and less a threat in terms of displacement politically if it comes to that.

The **Chairman**. I have just one additional question, Dr. Bullard. In previous testimony we received before the committee a number of witnesses have indicated that if we continue to pursue our present course in urban America, that our cities will rapidly become cities of the very young, the very old, the very rich, and the very poor and that middle-class people, irrespective of race, will no longer exist in the urban centers, moving out for such values as "better education, lower crime rate, greater security, safety, fresher air," whatever.

But that middle-class America, leaving the cities, which means then that the infrastructures of the cities, public education, et cetera, begin to go down because you don't have the necessary base to keep those institutions propped up.

Now, I would like to know if that is an accurate assessment of where Houston is, if not, tell me what you perceive to be the out-migration patterns in Houston, whether Houston is confronted with these sort of problems, where the infrastructure of Houston could very well collapse, because you don't have the middle-class family-oriented support, if you don't have the families with the children, educational institutions go down; so the low-income people trapped within the cities are confronted with an inferior school system, grossly underfunded and understaffed.

Dr. **Bullard**. The Houston situation may be somewhat different. Houston covers some 550 square miles. The problems Houston faces deals with the pockets of poverty and the pockets of affluence. When we talk about black areas that were annexed by Houston that were considered suburban in their location, but inner city in their demographics. The problems of these neighborhoods, as I said before, are pretty much the same as the problems faced in the Third World.

Black suburbanization does not mean that blacks have gotten integrated into the suburbs, it means reghettoization or resegregation. The problems that tend to resegregation and reghettoization them are the same, whether or not it is in the suburbs or whether or not it is in the inner city.

I think the scenario is similar, but somewhat different to other cities.

Dr. **Smith**. Can I comment on that for just one second? I think you are correct. I think the basic pattern in Houston is similar to other cities. And Dr. Bullard's comment, I think, was also on line. The difference in Houston is that we are fortunate that the political jurisdiction of the city of Houston is very broad.

So what you would call—every time I talk about central city, I have to ask what do we mean by central city in Houston. Usually I mean someplace within the 610 Loop, but it is very difficult. The city is technically very large.

The types of migratory patterns that you mentioned in other cities is occurring in Houston. A study I did for the Houston Independent School District, which I think does present a different situation, because its boundaries are somewhat narrower, shows that this pattern is occurring. One of the things that we were interested in 2 years ago was the question of whether the white middle class was coming back, whether the upper middle class was coming back to some areas inside.

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What implications would that have for the Houston School District, especially with regard to continuing the desegregation process?

The conclusion was that it wasn't particularly favorable because we are getting that type of migration you are talking about. It is not the middle class with children that are coming back, it is the upper middle class, the very young, that don't have children. So what we find is that while the white population is actually reversing, white school-age children within is not increasing.

So there are some problems even though we have a broader political boundary as Dr. Bullard mentioned.

The CHAIRMAN. Let me ask just one additional question. If the pattern that I have laid out is the reality at this moment, however you are beginning now to see something different and that is white middle-class and upper-class people who went to the suburbs or outside the central city are now coming back, does that mean then that we would again replace those minorities who were in the center city and the future migration pattern into the center city would be white and middle class, ringed by minorities who have been pushed out?

Dr. PERRY. I think it could. But I think there is a more important problem here. And we are seeing it, we are seeing it in Austin and in Buffalo and in a variety of cities. As this alleged downtown revitalization movement takes hold—and as I suggested to you before, it is hardly a revitalization movement when some people pay with their homes for other people's livelihood.

The potential, this time around, for more conflict politics, the potential for violence, I think, will become higher. The reason being that in the sixties, urban renewal failed because no matter how you pitched it, the Federal Government could not create that land in an attractive enough package to attract people back to it.

In the eighties, as my friend and political leader, Father Hernandez in Austin, Tex., says, that the fight is over land. And it is land that the poor people sit on now that more affluent people want. As he said, you know, possession is nine-tenths of the law in my neighborhood. Basically, what in essence people are saying over and over and over again is that this time around, there will be a harder debate because there is a scarce resource.

I think that this pattern creates the potential for a higher level of conflict. With poor people having a resource they didn't have before, that is little financial possession to land, now renters and owners is two different conditions here.

But in essence, in some ways the civil rights movement of the sixties was a contentious one because it was over one's politics and one's philosophy and one's rights.

This could even be more contentious because it is over real property. I think that in that context, the issue also has to be kept—that is why I was concerned by and also instructed by some of the earlier testimony given to this committee that Mr. Davis sent me. I think in some ways again it comes back to creating a national program of mediation.

I think we need safeguards that lead us to antispeculation controls, we need antidisplacement processes. We need to create a general debate over, not what unemployment is, but what subemployment means in this country. And a set of safeguards, coming from Congress, that are general enough to say meet the issues of subemployment, cities of America, not the issues of unemployment because Houston can always say we met the problem [illegible] unemployment and it is some people's poverty.

In other words, in the creation of guidelines for a national policy, as I said, is a very real political process that means mediating these different tensions, creating a land [illegible] plan; a sense of the use of lands in this changing pattern, Mr. Dellums, creating a subemployment index in this pattern, is a much needed debate. I think, one that is worthy of a full House committee.

I think this is crucial.

The CHAIRMAN. Let me just comment on that. I think you are absolutely right. A number of people—a number of persons appearing before the committee have suggested that what we need in the Congress is a committee focusing on the problems of urban America.

I am in total agreement with you. The sad and tragic, and in my estimation ludicrous reality, is that this very small grossly underfunded committee, at this particular moment, is the only committee of the Congress of the United States looking at what I perceive to be as one of the major problems of today. That is the problems of the decay of urban America.

My hope is that one of the byproducts of these hearings will be that the Congress of the United States reorganizes itself in such a fashion that it is capable of addressing these problems. You can't do it in the compartmentalized fashion that we have done in the past.

Dr. PERRY. You can't. I think that is why we get into some of the debates we do.

The CHAIRMAN. Going back to the last comment you made just prior to your assertion about a need for a committee, it would seem to me if all three of you are making a very powerful statement that we desperately need national policy, national urban policy, national housing policy, national policy toward the whole issue of employment in all of its facets, then I would appreciate it—this would be certainly my last question, if all of you would comment as to whether or not the present administration's press for a New Federalism flies in the face of the reality of where the country ought to be going, given the nature of the problems?

The question I am asking then is, are you critical of this particular approach of going back to the cities when clearly the problems are national in scope, and if so, I would appreciate it if you would give us your strongest evaluation of the New Federalism as against the comments you made?

Dr. PERRY. I think the problems are national in scope and I think they are—they are local and kitchen table close in terms of the reality. I mean, in other words, I think it really is one of the major problems I see with the present approach of the Reagan administration is that it really, in some ways, treats urban centers as if there were no people in them.

Again, if I can return to what I opened my testimony with, the cities of America are viewed as some sort of passive object to literally be plumed by the markeplace. We—the Reagan approach which says return the major problems to the cities; return the major funding realities to the cities, and return basically the cities to the exigencies of the free market, literally comes as close to treating cities like, I guess, if you will bear with me a moment, like my children treat a Coca-Cola.

My boys, the other night, put a Coke can in the middle of the bedroom. Now, everyone of the children knew that that was a dangerous place for a Coca-Cola can. Except that there was absolutely nothing left in the Coca-Cola can. I said, "Guys, would you pick it up, it is going to spill." They said, "It is useless, it is all drank up, we drank it all." I said, "What are you going to do with it now?" "We will let it sit here." I said, "Why?" My youngest, 6-year-old son, said, "I forgot it." I said, "It is your responsibility, I gave you that Coke can." He said, "We used it all up. It is now useless."

It is Akron. It is Canton. In essence, Reagan is basically like me, he said go play with that Coca-Cola. The leaders, the States and localities are saying, "We drank the whole think, it is useless." It is a 6-year-old policy. My son can do better.

The **Chairman**. I thank you very much. The Chair would now——

**Voice**. Before this committee goes any further, I want you to answer the question why you are allowing euthanasia to be introduced into the District of Columbia right now and invoking the use of the State's rights—the very excuse——

The **Chairman**. First of all, we have some hearings here and we are trying to proceed in regular order. The Chair is about to yield to the gentleman from Philadelphia to ask some questions, I will yield the Chair in a moment to my colleague, Mickey Leland, but I will make a statement to you.

No. 1, I firmly believe that the residents of the District of Columbia, a predominantly black city in the United States, has a right to function within the framework of democratic principles. The Congress of the United States enacted in my estimation an inadequate and inept bill known as the Home Rule Act.

It was enacted in 1973, in a rather conservative environment in the U.S. Congress. It has a number of conditions that would allow any Member of Congress to bring a resolution of disapproval on any action taken by the local City Council.

Now, in my estimation, that flies in the face of all of our democratic principles. If the city council of Houston enacted a law, whether you or I agreed with that law or not, it would not be the responsibility of the Federal Government to intercede and impose its will on the city council of the residents of Houston, Tex.

**Voice**. Isn't that what the Ku Klux Klan said about the civil rights movement?

The **Chairman**. I wish to make a statement and I would appreciate it very much if you do not interrupt me again. Now the point is, that for the Congress of the United States to intercede in the business of the council of Houston, Tex., would be in my estimation a direct violation of democratic principles. It seems to me that the residents of the District of Columbia should have the same right, as any other city council in the United States.

That is the philosophical view that I take. There may very well be decisions that the City Council of Washington, D.C. makes that I may agree with. Some that I may not agree with. I shall not and will not and do not believe it is the responsibility of the Congress of the United States to act as a colonizing ingredient in that process, to then say to the residents of the District of Columbia, "We will overturn a judgment of the City Council." The issue of accountability lies at the local level.

Now, if you have a problem with any law, duly enacted by the residents of the District of Columbia through their representatives on the City Council, then your fight is with the City Council. Now, several weeks ago, the residents of the city—the City Council enacted what was referred to as a Sexual Reform Act, which was an approach to reforming the sexual assault laws, something that the American Bar Association had suggested 10 years ago.

The Moral Majority got involved in that issue, and the Congress of the United States overwhelmingly passed a resolution of disapproval, not because, A, they understood the issue, or, B, because it was warranted. But because the Moral Majority was involved in the issue and too many of my colleagues were to frightened to stand up for democratic principles and procedures.

We should only intervene in the lives of people of the District of Columbia if one of three conditions are met: If they clearly are violating the Constitution of the United States, if they have exceeded their authority in the organic legislation known as the Home Rule Act, or finally, if whatever action they have taken in some way abridges or threatens the Federal interest.

In my estimation, that particular law and this law, the Natural Death Act, which is the name of the legislation, is a law that people's representatives have enacted. Now, I don't think this law in any way exceeds the authority of the Home Rule Act, nor does it in any way obscure or obstruct the Federal interest, or finally, it is not unconstitutional on its face.

Not meeting those criteria, you and I should join in making certain that democratic processes are adhered to. If the City Council, if the Congress of the United States, came down on the city council of Houston, Tex., all hell would literally break loose.

I am saying the residents of the District of Columbia have the same rights to demand their freedom. For a number of years in this country, a very important slogan went around America, "D.C., the Last Colony of the United States." I question whether that is the last colony, but I certainly believe it is a colony, and has been a colony. I don't think it is the last because we are still colonizing human beings.

But the fact of the matter is that I will not and shall not impose myself on the residents of the District of Columbia. If people in Washington, D.C., don't like what the City Council does, just as if my constituents don't like what I do, they have a mechanism by which they can call for accountability. My job is to not be a super politician, reigning over the elected representatives of the District of Columbia, the majority of whom, interestingly enough, are black.

Now what makes me a super politician? What gives me a greater handle on morality and ethics and democratic principle than those persons duly elected to the City Council? I reject that notion and your assertion. My responsibility is not to engage in the substantive aspects. You never surfaced when there was debate on that question at the City Council level. If you wanted to get involved at that level, that is where your fight was, it was not my responsibility to be a colonizer of the District of Columbia.

People have a right within the framework of democratic principles to react to policy, once you start down that road of reacting because you don't agree politically, you walk down a very dangerous road. So when do we intervene? Suppose the residents of the District of Columbia pass a gun control law and then the National Rifle Association says, "We will have a national movement to disapprove the action of the citizens of the District of Columbia." You and I know that there is only one representative of the District of Columbia, the other 435 people voting have a cheap shot at it because the constituents can't get at it, the residents only vote for one person who, incidentally, does not have a vote on the floor of the U.S. Congress.

That is the absurdity, that is the contradiction. That is the hypocrisy. I yield to my colleague, Mr. Leland, who I would ask to chair these proceedings for a few moments.

Then I would ask the gentleman if he would yield to Mr. Gray of Philadelphia. I will be right back.

Mr. LELAND [presiding]. I would like to admonish the participants in this hearing—both those seated before us and the audience itself—that the proceedings here are very much the same as court proceedings and should be followed according to the law. We must call for regular order. And if in fact the gentleman or anyone else have something to say, they must check with the clerk of the committee, who will then advise the person who has that request on how they may go about testifying before this committee.

I understand the gentleman's emotional involvement. I have spoken to the gentleman before. But I would suggest that the gentleman be apprised that he cannot be heard out of order in these proceedings. I now yield to the gentleman from Philadelphia.

Mr. GRAY. Thank you, Chairman Leland. I have just a few questions, I think most of the questions have been asked very adequately by the chairman of the committee, Chairman Dellums. Have you gentlemen read the urban enterprise zone legislation, both in the form presented by the administration and in the Kemp-Garcia bill which was introduced in the 96th Congress?

Dr. PERRY. I just read the initial—the Kemp-Garcia version, that is all I read.

Mr. LELAND. Which one of the Kemp-Garcias?

Dr. PERRY. I don't really know, Mr. Leland, which one it was. I have seen one version.

Mr. GRAY. The reason I ask that question is that I think there is a lot of misinformation about the urban enterprise zones as proposed by the administration and also by Kemp-Garcia. I am one of the sponsors of the Kemp-Garcia legislation. I realize that it is not a panacea, nor is it going to change drastically the employment problems of inner-city people.

But it is perhaps one small tool, if carefully crafted and structured in a way that it can deal with inner-city problems and there have been numerous changes made in the Kemp-Garcia bill, since its introduction in the 96th Congress.

And it is quite different, quite different from the administration's proposal which came down to Congress just last week. Let me point out several major differences. In the administration bill, the Reagan proposal for urban enterprise zones, they do away with the minimum wage, which Kemp-Garcia does not.

In the Reagan administration proposal for urban enterprise zones, they call for an elimination or waiver for local governments of Federal regulations in the enterprise zone. This raises very serious questions about air pollution and all of the civil rights statutes, et cetera.

And then also, the targeted—places in Kemp-Garcia, which calls for specific goals to be achieved vis-a-vis the hiring of youth and city residents, has been replaced and eliminated in the administration bill.

So I would urge you gentlemen to take a close look and scrutinize that because there are profound differences between the two pieces of legislation, and the Kemp-Garcia bill has changed drastically since its introduction.

I will be glad to forward to you copies of both proposals. That really brings me to the question of minimum wage. I am delighted, Dr. Perry, that you brought out something that we don't look at in this Nation, and that is really the three categories of pain when you talk about unemployment.

Those who are unemployed, who don't have a job, those who have a job, but what they are making is not enough to live on and then, third, those that don't even get counted, the discouraged worker. I come from an older Northeastern city where in my congressional district you are talking about over 20 percent adult unemployed and over 50 percent youth unemployment, and when you break that down into minorities, you are talking about close to 30 percent black adult unemployment, and close to 80 percent black youth unemployment.

That is if you include the discouraged worker, not including the subemployed worker. That is why I have a very difficult time understanding those who would advocate doing away with the minimum wage. When in the city of Philadelphia a minimum wage still keeps you below poverty—I also think sometimes that the advocates of getting rid of the minimum wage fail to understand the difference in our society today as opposed to the 1950's and the 1940's, which I think, Dr. Bullard, you pointed out.

What is the raw material that we have in those inner cities?

I cannot speak for Houston and I would like some comments from all of you on what I am saying, but in many of our Northeastern and Midwestern older cities, you are talking about the second and third generation who have been on welfare, and contrary to popular neoconservative ideological thinking, work, from my knowledge, is not genetic behavior, but it is learned behavior, where you grow up in the house and you see an aunt, an uncle, a big brother, a big sister, or a father or mother put on a white collar or blue collar or no collar, go out, come back at the end of a week or 2 weeks with a reward and that is how we learn that, hey, you work in order to get resources and you get—you take those resources and you buy things.

In many places, you are talking about second or third generations that don't have that. So when you begin to talk about lowering the minimum wage, when, in a city like Philadelphia, if you pay the minimum wage, it is not enough for a person to survive in Philadelphia, let alone if that person is a breadwinner and has a family.

And I would like to just get your comments on the whole question of the minimum wage. I missed some of your testimony and, it seems to me, that those who want to get rid of minimum wage have a sort of idyllic view of America.

Let's return to America that used to be and fails to recognize the realities of right now. In Philadelphia, for instance, how many jobs are available for subminimum wage?

In Houston, beside the Burger Kings and McDonald's, how many real jobs would be available in the private sector, with growth potential, security potential, without minimum wage?

In Philadelphia, there are very few. I don't think lowering the minimum wage in Philadelphia would make a big impact. Maybe it would make an impact here.

The other question I have to ask myself, also, is that with lowering minimum wage, doesn't it do violence to the reality that we no longer have many young people, 18 to 21, who are living at home with families the way it happened 30 or 40 years ago, that they are out on their own, sometimes married at an early age, have children to support, and if we had a youth differential, how do we determine the cutoff?

You have someone 18, who is out of high school, married, a child, making $1.50 an hour or $2 an hour.

How are they going to survive? They no longer live at home with their parents, as perhaps was the practice in the 1940's.

I would like some reaction on that observation?

Dr. PERRY. Well, most of what I think I have said already—I would like to add a couple of other points.

One of the reasons I have suggested this approach—the particular approach in the written testimony that I barely touched on today, at the next level has actually nothing to do with being an academic, but has a lot to do with living in Austin, Tex. Watching a process that has started to work over the last 3 or 4 years there.

One of the things that they have done, that is being tried there, in the downtown areas, is the creation of a downtown revitalization task force. It is a group of people from both the banks and small business, large business, and the ghetto area. We have people from black citizens task force, the bankers and a variety of people in trying to put them together on a task force that literally will attempt to design some thresholds or characteristics of some sort of safeguards one would need to protect the downtown.

One of the ways in which the bankers are starting to work together is that if indeed an industry wants to come into the downtown area, and if indeed one of the reasons it is coming to the Sun Belt is that subemployment is such a profitable feature here, to protect against subemployment and unemployment in the area, the concept of a minimum wage is almost top of the line in Austin.

Especially in your downtown service jobs, in which case the minimum wage doesn't even obtain half of the time. I mean people work for 75 cents an hour and tips. That is basically what is goi on.

And talk about colonies. Boy, the colonists are doing very well downtown revitalization areas. To try to protect against further colonization, to use Chairman Dellums' term, is what this process of safeguarding is trying to do. If you can only provide tips on something downtown, in this new Hyatt Regency, of $1.25 an hour-plus tips. If you want to come in here and you want to be part of an enterprise zone, you want some form of a tax sheltered program in terms of your investments or you want to pick up on some of the section 10 money that is going around.

What we want you to do is supply a health program, the mayor is sitting there, hopefully with the bankers, in return for that we will get you the tax increment in financing that you want and we will supply some of our CDGV money in terms of a program on infrastructure investment.

Then the body will say, that sort of use, that land and that sort of guarantee, gives us the first health packages in the program, the economic development association will do the subcontracting.

What in essence will happen over a period of time, and Lord knows we have had more failures than success in trying this, is from the beginning, the citizens are up front involved in participating in the process.

The bankers don't like it, but it is starting to happen. It is going to take a long time to work out this sort of process.

But that, I think, is one way of getting a minimum wage, or if someone gets in and a job is not protected by the minimum wage laws, that we are trying to get some other sort of concessions or benefits on it.

I think it is going to take time, Mr. Gray, starting with the program you are putting together, but over time, it is going to take the execution of a Federal mandate, that this sort of thing is what the Federal Government wants to see going on in all cities in America.

You don't have to sit and talk about program, particularly programs, but one should get the Government to talk about the thresholds or guarantees of the guidelines that any program designed at the Federal and local level would have to meet.

There are certain levels of urban decency that could be met. The minimum wage is one of them. I guess that is in addition to what I said before.

I would love to see the committee working in that direction. There are local models to start with around the country, like Austin.

The CHAIRMAN. The gentleman has the time?

Mr. GRAY. I return the time to the Chair.

The CHAIRMAN. The Chair has a couple of additional questions. I have a couple of questions, Dr. Bullard, of you; a couple prepared questions, as we looked over your testimony submitted.

Does the fact that Houston has no zoning mean that there is no board or commission for citizens to complain to when projects that adversely affect a neighborhood are proposed?

Dr. BULLARD. Houston has a planning commission. Usually in most cities you have planning and zoning. They have a planning

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commission top heavy with developers. Citizens can complain to the city; however, the fact that Houston is basically a developer's town and the residents in many neighborhoods have very little influence in terms of those factors which may be placed in a neighborhood, or which may be environmentally unsafe, et cetera.

A typical example that I gave was the placement of landfills and dumps, solid waste sites in black neighborhoods.

The Chairman. I would like to thank you on behalf of myself and members of the committee and members of the staff for your contribution to these proceedings. You have been very thought provoking, extremely stimulating, and I greatly appreciate it. There may be a few questions that will occur to us after we go over the transcript again.

I would appreciate it very much if we could feel free to forward to you a few questions, if any should arise, that we may ask you to submit written answers to.

Dr. Perry. Surely.

Dr. Bullard. Sure.

The Chairman. I thank you very much for your contribution.

The Chair will now call the following three witnesses, who will testify as a panel: Dr. Warner Henson, executive director, Urban League; Gene Locke, the former director of HOPE Development; and finally, Mr. Ernest McMillen, representative of Black United Front. If all three of you would come forward.

We would like to take a 5-minute break in order to give the reporter an opportunity to take a breather.

[Recess.]

The Chairman. The committee will reconvene. We will begin with Dr. Henson's testimony followed by Mr. Locke, followed by Mr. McMillen.

## STATEMENTS OF WARNER HENSON, PH. D., EXECUTIVE DIRECTOR, URBAN LEAGUE; GENE LOCKE, FORMER DIRECTOR OF HOPE DEVELOPMENT; AND ERNEST McMILLEN, REPRESENTATIVE, BLACK UNITED FRONT

### STATEMENT OF WARNER HENSON, PH. D.

Dr. Henson. To the chairman, Mr. Ronald Dellums, may I say thank you for bringing the House Committee on the District of Columbia—for coming to Houston, Tex., to conduct these hearings. Your timing is significant given that so many of our black citizens have almost lost hope and faith in the Congress.

Houston, the fourth largest city in the Nation, is growing faster than the infrastructure needed to support this fantastic growth. Houston has been cited as a boom town and promoted by the chamber of commerce nationwide as a city with the lowest unemployment rate in the Nation.

We see today, and everyday, that this fantastic growth is bringing and creating the same urban problems faced today by the larger Midwestern and Eastern urban centers of America. Unfortunately, this boom of prosperity in Houston, with the population growth rate of 800 to 1,000 new people per week, and the projected population by 1984 of 2 million to 3 million people, is not a statistic that is impressive to its black citizens.

The cutback in job training programs by the current administration has had a tremendous negative impact on Houston's black citizens. The unemployment problems of blacks is further compounded by the large influx of illegal aliens that are living in Houston and the sizable population of other foreigners from India and Asia.

This new group of minorities are replacing a valuable American resource—its black citizens. Black Americans that have fought so gallantly in every war to make Houston, and America, a safe place to live now find it difficult to enjoy the fruits of a growing economy. It has been contended by some that these illegal aliens and foreigners take only those jobs that no one else wanted.

A Rice University professor has made a survey of jobs in the construction industry, and it revealed that these jobs pay fom $4 to $9.45 per hour. I know many black unemployed citizens who would certainly accept jobs paying at that rate.

The New Federalism has destroyed programs that helped blacks climb out of poverty. For example, in Houston, CETA—the Comprehensive Employment Training Act—was severely cut. It almost abolished all public service jobs that were employing blacks. The Houston Urban League had a CETA contract. Our research showed that less than 25 percent of those that were let go found employment.

The Houston private sector has not offered employment to fill the unemployment gap for these black citizens. The Texas Employment Commission, which is planning on closing 70 of its 117 offices statewide, has already closed two offices in Metropolitan Houston. So the helpless remain hopeless under these kinds of national policies.

Unemployment and poverty are on the increase in Houston, and the current administration's New Federalism is nothing more than a prescription for further inflicting misery on the blacks in Houston. It is a fact that national problems require national solutions. This new attitude, the New Federalism, only makes the 1980's more potentially disastrous and dangerous.

The National Urban League's annual "State of Black America" report is one that clearly depicts the conditions of blacks in America. "The Economic Patterns in Black America," by Prof. Bernard Anderson, director of the Social Services Division of the Rockefeller Foundation, points out that the black gains in manufacturing jobs are endangered by the slump in the auto and steel industries. Also, that the struggling black middle-class, too, is in trouble.

The rapid gains in black professional employment has been concentrated in lower level, technical and services jobs. Government jobs have been a source of employment for black college graduates. But the impact of Reaganomics, shrinking Government budgets and State and local government job layoffs mean increased vulnerability for black Government employees.

Job cuts on the Federal level are concentrated in the areas of health, education, human services, and these are the sectors where most of our black citizens are employed. So the traditional areas of stable, secure, and decent paying jobs for blacks are becoming areas of instability, insecurity, and limited employment opportunities for blacks.

Further, Dr. Bernard points out every Federal dollar invested in on-the-job training programs return $2.28 to the society and economy.

Mr. Chairman, I would like to again thank you for allowing me to make these brief comments.

The CHAIRMAN. Thank you, Dr. Henson.

[The prepared statement of Dr. Warner Henson follows:]

### STATEMENT OF WARNER HENSON, EXECUTIVE DIRECTOR OF THE HOUSTON AREA URBAN LEAGUE

Mr. Chairman, May I say thank you to the Congressional Black Caucus for coming to Houston, Tex. Your timing is significant given that so many of our minority citizens have almost lost all hope and faith in the Congress. Houston, the fourth largest city in the Nation that is growing faster than the infrastructure needed to support its fantastic growth.

Houston has been cited as a boom town and promoted by the Chamber of Commerce nation-wide as a city with the lowest unemployment rate in the Nation.

We see today and everyday that this fantastic growth is bringing and creating the same urban problems faced today by the larger Mid-Western and Eastern urban centers of America.

Unfortunately, this boom of prosperity of Houston with a population growth rate of 800 to 1,000 new people per week and projected population by 1984 of 2 to 3 million people is not a statistic that is impressive to its black citizens.

The cut back in job training programs by the current administration has had a tremendous negative impact on the Houston black citizens.

The unemployment problems of blacks is further compounded by the large influx of illegal aliens that are living in Houston and sizeable population of other foreigners from India and Asia. This new group of minorities are replacing a valuable American resource, its black citizens. Some black Americans that have fought in every war so gallantly to make Houston and America a safe and better place to live.

It has been contended by some that these illegal aliens and foreigners took only those jobs that no one else wanted. A Rice University professor made a survey of jobs in the construction industry and it revealed that these jobs paid from $4 to $9.45 per hour. I know many black unemployed citizens who would certainly accept jobs paying at this rate.

The New Federalism has destroyed programs that helped blacks climb out of poverty. For example, in Houston C.E.T.A., (the Comprehensive Employment Training Act) was severely cut—it abolished all public service jobs that were employing blacks. The Houston Urban League had a C.E.T.A., contract and our research showed that less than 25 percent of those let go found new employment. The Houston private sector has not offered employment to fill the unemployment gaps.

The Texas Employment Commission (TEC) which is planning on closing 70 of its 117 offices State-wide has already closed two offices in metropolitan Houston. So the helpers remain hopeless under this kind of national policies.

Unemployment and poverty are on the increase in Houston and the current administration "New Federalism is a nothing more than a prescription for flicting further misery on minorities and the poor. (It is a fact that national problems require national solutions). This new attitude only makes the 1980s more potentially disastrous. The National Urban League's Annual State of Black America Report is one that clearly depicts the conditions of blacks in America. The economic patterns in black America by Professor Bernard Anderson, Director of the Social Services Division of the Rockefeller Foundation points out that black gains in manufacturing jobs are endangered by the slump in the auto, and steel industries. Also that the struggling black middle class to is in trouble. The rapid gains in black professional employment have been concentrated in lower-level technical and professional service jobs. Government jobs have been a source of employment for black college graduates.

But the impact of Reaganomics shrinking Government budgets, and State and local government jobs layoff means increased vulnerability for black Government employees. Job cuts on the Federal level are concentrated in health education and human service section most likely to employ blacks.

So the traditional areas of stable, secure and decent paying jobs for blacks are becoming areas of instability, insecurity, and limited employment opportunities for blacks.

Professor Anderson points out, every Federal dollar invested in on-the-job-training programs returns \$2.28 to the society and the economy.

Mr. Chairman, thank you again for allowing me to make these comments.

The CHAIRMAN. Mr. Locke?

## STATEMENT OF GENE LOCKE

Mr. LOCKE. My name is Gene Locke. I am a local attorney and former director of HOPE Development, a nonprofit community based organization here in Houston. I have lived in Houston all of my adult life and been involved in civil rights issues, urban concerns, and community improvements projects for much longer than I care to remember.

I have seen this town change drastically, from an oversized country town to a metropolitan center in the truest sense of the word. More importantly to me, I have been involved personally in a lot of the improvements, the projects and protests, to make sure that Houston's urbanization process affected all Houstonians equitably. It has not.

As a private citizen and administrator of a community based program, I have seen both the impact and the lack of impact of Federal programs and Federal spending in urban Houston. Therefore, my testimony this morning, though brief, will center on why Federal spending and Federal support is so critical to urban Houston.

I think our starting point has to be that as a State now, Texas is no longer a cowboy State. Eighty percent of all Texans now live in metropolitan areas, of which Houston is the largest. Twenty percent of all black Texans live in Harris County, which is almost all of Houston. Given that kind of scenario, as I look at Houston I see two cities in one: a urban Houston and a suburban Houston.

Both of these cities share the same metropolitan boundaries. The suburban city, the suburban Houston is characterized and symbolized by Houston's wealth and prosperity, by the beautiful new shopping centers and malls, and subdivisions, and a kind of sense of physical beauty that tends to attract people from all across the world. It is the citizens of suburban Houston that are by and large the true beneficiaries of Houston's boom. They have the jobs that economically open the doors to a bright future.

Then there is the other Houston, the urban Houston. To many of us, it is like a hidden city, camouflaged by freeways and high-rises. The citizens of urban Houston are the poor, the working poor, the lower middle class. They are the hardest hit by urban problems. They are black and white and brown and yellow. They are old and they are young. And it is for these citizens of urban Houston that the continuation and the increase in Federal spending is extremely poor.

One of the things that I think that I would like to say to this committee, in examining American life over the past 25 years, our expectations of city government has changed drastically as we have become a more urbanized country. We now expect city government at the local level to do more for us than was the general expectation. Given the shrinking and nonmoving tax base at the local level, in the absence of Federal funding, it is impossible for the local municipalities to in fact meet the expectations of people who reside overwhelmingly in these urban areas. And having listened to some of the testimony, one of the things that you should be aware of is that Texas, although it has a rich history in many respects, does not have a rich history when it comes to State funding of urban-related problems.

In fact, quite the opposite is true. What has become an albatross around so many of our necks is the so-called Texas attitude of let's go it alone. We are individuals, we can make it. Because of a century of domination by rural elements, State government in Texas never has been a source of significant support for people concerned about urban problems.

This is a tragic irony in the face of President Reagan's talks of New Federalism. Thus, the solutions to urban problems in Houston will only come as a result of Federal participation and involvement with local municipal leaders. To say it differently, it is my feeling that you, as representatives of the Federal Government, have an obligation at the Federal level to insure at least a minimum level of quality of life for all Americans, including those that reside in urban Houston.

Federal programs, Federal social programs in particular, though often maligned, have been essential to the survival and progress of many urban Houstonians. My concerns and fears center around one problem and one question: Without these Federal social programs, what kind of city would this be for us to live in?

I would readily agree with the critics of some of the social spending who cite mismanagement as a problem with Federal programs. But no one has come forth and demonstrated a higher level of mismanagement with social programs than presently exists with military spending, or the space program, or other areas of Federal involvement. In truth, there has been some level of mismanagement and abuse of social programs, but for every instance of abuse there are four or five success stories that are never told. There are examples where people's lives have been qualitatively changed as a result of Federal intervention.

Mr. Chairman, I think it is important for us to at least look at social welfare spending in a different light. Before Johnson, President Johnson's war on poverty, going back now through the 1950's, the percentage of people who were poor in this country was almost 30 percent. The people who are, percentagewise, poor now, who live above or below the established Government poverty line, is somewhere around 15 to 17 percent.

If these Government figures can be taken as true and accurate, it means in fact a reduction in the number of people who have been living—who are living in poverty as a result of Federal intervention from social programs. More importantly, I think, is not to quibble about whether or not we have more people in poverty now than in 1950, but to realize that Federal programs, social programs, have promoted two essentials for all Americans: hope and the opportunity for equality of opportunity for minorities.

Indeed, many social welfare programs have failed, but they failed for some very logical reasons that we can see in hindsight:

No. 1. Management.

No. 2. That at the time these programs were instituted we did not anticipate and predict the population boom that would accompany them.

No. 3. We did not anticipate and predict the rate of urbanization that would place further demands.

No. 4. We did not want to talk about the monopolization of international finance capital and what that has meant in the scheme of the class structure of America. And, in fact, we have wanted to turn our back to the depth by which American society is riddled with the class structure. We wanted to think that simply by throwing some Federal funds toward people who had been historically poor and disadvantaged, we could change a century of oppression and neglect and frustration. Such cannot be done.

Mr. Chairman, the complex nature of urban life requires that we continue and not reduce Federal involvement at the local level. In closing, I think it is the responsibility of the Federal Government to insure a certain standard of life for all Houstonians, or Texans, and Americans.

I fear the day that that responsibility is turned over to the leadership of the State of Texas or the leadership of the city of Houston.

The CHAIRMAN. I would like to thank you for your opening remarks.

[The prepared statement of Gene Locke follows:]

### PREPARED STATEMENT OF GENE L. LOCKE

Mr. Chairman and Committee Members: My name is Gene L. Locke. I am a local attorney and former director of HOPE Development (a non-profit community-based organization). I have lived in Houston all of my adult life. I have been involved with civil rights issues, urban concerns, and community improvement projects for much longer than I care to recall (16 years).

I have seen Hosuton change dramatically from an oversized "country town" to a metropolitan center in the truest sense of the term. More importantly, I have been personally involved in many of the projects, protests, and movements that sought to insure that Houston's urbanization process affected all Houstonians equitably. As a private citizen, civil rights activist, and administrator of community-based programs, I have seen the impact and the lack of impact of Federal spending in urban Houston.

My testimony, therefore, today centers on why increased Federal spendings and support is so critical to the "urban Houston".

The term "urban Houston" is used to delineate it from "suburban Houston. There are in fact two cities within one municipal boundary.

One is "suburban" Houston; it symbolizes Houston's wealth and prosperity. It is characterized by beautiful new shopping malls, new subdivisions for residential growth, and a sense of physical beauty. The citizens of "suburban" Houston, by and large, are the true beneficiaries of Houston's boom. They have the jobs that economically open the doors to a bright future.

The other city is "urban Houston". To some, it is a hidden city camouflaged by freeways and high rises. The citizens of "urban Houston" are the poor, working poor, and lower middle class. They are the hardest hit by urban problems. They are black, white, yellow, and brown. They are the elderly and the very young. For these citizens of "urban Houston", the continuation and the increase in federal spending in Houston is extremely important.

As I am sure you have found from those who testified before me, Texas does not have a rich history of state funding of urban-related problems. Quite the contrary is true. Because of a century of domination by rural elements, state government in Texas has never been a source of significant support for those concerned with urban problems. That is a tragic irony of President Reagan's notions of new federalism. Thus, the solutions to the urban problems in Houston will only come as a result of federal participation and involvement with local municipal leaders.

To say it differerently, it is the obligation of the federal government to insure a minimum level of "quality of Life" for all Americans.

Federal social programs, though often maligned, have been essential to the survival and progress of so many "urban Houstonians". My concerns and fears center around one question: Without these Federal social programs, what kind of city would this be to live in?

I would really agree with the critics who cite mismanagement as a problem with some Federal programs. But, no one has come forth and demonstrated a higher rate of mismanagement in social programs than in the military or the space programs. In truth, for every example of mismanagement or abuse of social programs, there are four or five examples of success stories; examples of situations where people's lives have been qualitatively moved to make equality of opportunity a meaningful term.

Moreover, the complex nature of urban life now requires us to continue, not reduce federal involvement. Today, eighty (80%) percent of Texas' population is urban. Over twenty (20%) percent of the black population of this state resides here in Harris County. These black urbanites, along with their Mexican-American neighbors, have been historic victims of racial and ethnic discrimination. Texas has never practiced a policy of true equality for these citizens.

Therefore, many blacks and browns in the inner city (because of historical denial of opportunity) pose special problems and demands. Federal programs, like CETA and Community Development, have made a difference in this city. Their continuation is essential if we are to deal with our social problems in a constructive manner.

In closing, I would like to offer the following recommendations for your consideration:

1. That funding for CETA and Community Development (or similar type programs) be expanded in Houston, not reduced. This is critical in light of the underemployment problems that so many brown and black Houstonians face.
2. That funding for public housing and public health programs be greatly expanded to meet very critical needs in these areas in Houston.
3. That aid to small colleges and public universities be expanded to provide the opportunity for education in an effort to bridge the gap of inopportunity.
4. That funding for mass transit be increased and special county-wide programs be developed to deter the massive auto-congestion problems that currently plague Houston's freeways.
5. That community-based alcohol, drug, and mental health centers be established thru joint city-state-federal funding. These problems produce a sundry of indirectly and related social tensions and ills.
6. That direct "survival" programs be continued (food stamps, AFDC, SSI, medicaid). These are life/death programs for so many Houstonians.

The decisions made by our colleagues in Washington over the next several months will impact directly on what Houston will look like in the years to come. An urban center of hope of an urban center of frustration and crisis: The choice is clear.

The CHAIRMAN. I now turn to Mr. McMillan.

## STATEMENT OF ERNEST McMILLAN

Mr. McMILLAN. Good afternoon, Congressman Dellums and other distinguished guests and fellow Houstonians. If you don't mind, I would like to get directly to the point.

Hopefully, during your stay in Houston you will be able to confirm and verify for yourself most of the things presented within my statement. Although Houston has its own peculiarities and uniqueness, the quality of black life here is basically the same as in every other large American city. Despite all of the fast talk about Houston being the hub of the thriving Sun Belt, black Houstonians find themselves being in the hole of the donut; that is, being in a depressed area completely surrounded by a broad, circular well.

The inner city is in a state of rapid deterioration while the outlying areas are on the upswing. Houston's inner city has some of the worst housing conditions in the country. The existence of substandard housing throughout the inner city, which is at the same time the source of some of the city's most valued land, leads one to suspect that there is a deliberate stranglehold on the ghettoes and barrios of Houston.

Houston may remain a boom to the developer and investor but to the average resident of the inner city it is a real bust. Hand in hand with dilapidated housing goes every other feature of depressed life, poverty, unemployment, underemployment, widespread drug use, other crimes, and police brutality.

Ideals about a better quality of life and a bright future for children, born and unborn, is often superseded by the day-to-day fight for survival. School dropout rates increase, prostitutes line the streets and begin to work in shifts, while an honest day's pay cannot be stretched any more to obtain the necessities of life.

Houston's inner-city residents find themselves fighting for crumbs from the big table. It is like being in a crowded theater with only one exit and a fire alarm sounds. The commercially inspired and highly orchestrated vision of Houston as a city of prosperity draw thousands of people here each month with hope for a new start in life. This burst in population serves to intensify problems which already exist here.

In fact, Houston is only a few years away from being another St. Louis, Cleveland, or Newark. My hope is that the new immigrants will soon see that they have not entered a lost paradise but a fool's paradise. Hopefully, they will realize that running is not the solution, but taking up the struggle to make it better is.

I would like to focus on one specific area of concern confronting black Houstonians especially, and then issue a call to the Congressional Black Caucus to act toward implementing some firm steps toward the ending of the misery and suffering that our people face.

The Houston Police Department has a shameful and cold-blooded record of terror and unwarranted acts of violence on the black community. The rate of fatal shootings per 1,000 police officers last year alone was in fact twice as high as New York City, Chicago, and Philadelphia. Since 1970, over 300 deaths by the Houston Police Department have been inflicted. Less than six of those deaths were preceded by any kind of warning by the police, despite the fact that over two dozen were nonconfronting incidents.

I invite you to just look at a few of these incidents, and you will get a glaring picture of the nature of police business in Houston. The attack of 500 police on a Texas Southern University campus in 1967, the police sniper murder of activist Carl Hampton, which I believe was in 1971; the Jose Campos Torres arrest in 1974; Fred Paez in 1980; and Eddie Lee Johnson in this past year, in 1981. These examples demonstrate the Nazi-like proportions in which the police department relates to any community.

The demand for an independent citizens' investigative body, one with power to subpena a witness and discover evidence while previewing and reviewing police policies and practices, have fallen on deaf ears time and time again. Usually after a senseless killing or beating by the Houston Police Department, the community calls for the institution of such a body only to have it callously rejected.

In fact, there were a group of citizens this past Wednesday that attended a city council meeting calling for such an investigative body. They were told by the city counsel that their hands were completely tied, they had no authority, no power to do such a thing.

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Federal civil rights statutes have a poor record of application and enforcement here in Houston. Usually nothing happens to brutal cops even when they are found to have a history of multiple abuses. With the call for the so-called New Federalism it appears even a smaller impact can be anticipated.

The Congressional Black Caucus represents the highest black officials in the country. Your office is a product of many, many sacrifices, countless numbers of lives harmed and lost, because we chose to resist and fight for a completely restructured society. The times we are presently experiencing are perhaps the most crucial, the most decisive in our history. They call on us to make new efforts and new commitments. I trust our Congressional Black Caucus will set a shining example to all elected officials, to our youth especially, and to all those downtrodden people around the world that we are about the business of a joint coordinated activity with the liberation movement. We are one with the Third World movement.

Political careers, egotism, are enemy control values that have no place on the collective agenda for black people in the 1980's. People are asking, where are our leaders? We see you at election times, media events, and fundraising affairs. We need to see the power of your office manifested in our everyday lives. Use our fruits of struggle as using stepping stones to history. We need to dare to struggle and dare to win.

[The prepared statement of Ernest McMillan follows:]

### PREPARED STATEMENT OF ERNEST MCMILLAN

Good afternoon Congressman Dellums, other distinguished guests, and fellow Houstonians. If you don't mind I'd like to get directly to the point. Hopefully, during your stay in Houston, you will be able to confirm and verify for yourselves most of the things presented within my statement. Although Houston has its own peculiarities and uniqueness, the fundamental state of the quality of black life here is basically the same as every other large American city with significant members of black people.

Despite all the fast talk about Houston being the hub of the thriving Sun Belt, black Houstonians especially find themselves being the hole of the doughnut, i.e., being a depressed area completely surrounded by a broad circle of wealth.

The inner city is in a state of rapid deterioration while the outlying areas are on the upswing. Houston's inner city has some of the worst housing conditions in the country. The existence of blighted, substandard housing throughout the inner city, which is, at the same time the source of some of the city's most valued land, leads one to suspect that there is a deliberate stranglehold on the ghettos and barrios of Houston. Houston may remain a boom to the developer and the investor, but to the average resident of the inner city, it is a real bust.

Hand and hand with dilapidated housing goes every other feature of oppressed life—poverty, unemployment, underemployment, widespread drug abuse and other crimes, police brutality, schools as warehouses, despair, and ill health. Ideas about a better quality of life and a bright future for children born and unborn is superseded by the day to day fight for survival. School drop-out rates steadily increase, prostitutes line the streets and work in shifts, while an honest day's pay simply can't be stretched any more to obtain all the necessities of life.

Houston's inner-city residents especially Afro-Americans, Mexicanos and other foreign born nationals find themselves fighting for crumbs from the Big Table. It is like being in a crowded theater with only one exit, and a fire alarm sounds.

The commercially inspired and highly orchestrated image of Houston as a city of prosperity draws thousands of people here each month with hope for a new start in life. This burst in population serves to intensify problems which already exist here. In fact, Houston is only a few years away from being another St. Louis, Cleveland, or Newark. My hope is that the new immigrants will soon see that they have not entered a lost paradise, but a fool's paradise. Hopefully, they will realize that running is not the solution; but taking up the struggle to make life better is.

I would like to focus on one specific area of concern confronting Black Houstonians especially and then issue a call to the Black Congressional Caucus to act toward implementing some firm steps toward ending the misery and suffering our people face.

### POLICE ATTACKS ON THE BLACK COMMUNITY

The Houston Police Department has a shameful and cold-blooded record of terror and unwarranted acts of violence on the Black community. The rate of fatal shootings per 1,000 police officers last year alone was in fact twice as high as New York City, Chicago, and Philadelphia. Since 1970, over 300 deaths by the HPD have been inflicted. Less than six of those deaths were preceded by any kind of warning despite the fact that over two dozen were nonconfronting incidents.

I invite you to just look at a few of these incidents and you'll get a glaring picture of the nature of police business in Houston. Check out the Camp Logan Rebellion in 1917; the attack of 500 police on the Texas Southern University campus in 1967; the police sniper murder of activist Carl Hampton in 1971; Jose Campos Torres in 1974; Fred Paez in 1980; and Eddie Lee Johnson in 1981. These examples alone demonstrate the Nazi-like proportions in which HPD relates to any community which doesn't conform to its own image.

The demand for an independent citizen's investigative body—one with the power to supena witnesses and discover evidence, while previewing and reviewing police policies and practices—has fallen on deaf ears time and time again. Usually after a senseless beating or killing by the HPD, the community calls for the institution of such a body only to have it callously rejected.

Federal civil rights statutes have a poor record of application and enforcement here in Houston. Usually nothing happens to brutal cops even when they are found to have a history of multiple abuses. With the call for the so-called New Federalism, it appears that less and less impact can be anticipated.

The Black Congressional Caucus represents the highest black elected officials in the country. Your office is the product of many, many sacrifices (countless numbers of lives harmed and lost) because we chose to resist and fight for a completely restructured society. The times we are presently experiencing are perhaps the most crucial, the most decisive in our history. They call on us to make new efforts, new commitments. I trust our Black Congressional Caucus will set a shinning example to all elected officials, to our youth, and to all those down trodden people around the world that we are about the business of joint coordinated activity with the Liberation movement. We are on the one with the Third World movement. Political careers, ornaments, individual financial gains, and egotism are enemy control values that have no place on the collective agenda for Black People in the 80's.

People are asking, "Where are our leaders?" We see you at election times, media events and fundraising affairs, but we need to see the power of your office manifested in our everyday lives. Use our fruits of struggle as stepping stones to victory. We need to "Dare to Struggle and Dare to Win!"

The CHAIRMAN. Thank you very much for your opening remarks. I like your latter comment—it prompts one thought. I am making a statement to people, that as I perceive it you are correct. I think this is the bottom line. The next 3 years of this administration could wreak havoc on this country and the world. So if we are going to be out there fighting, this has to be the time we are doing it because we are up against a wall at this moment.

I am saying to people that there are only a handful of elected representatives who have the will or the courage or integrity to challenge the majority of one party walking in lockstep with these policies, 29 or 30 of our colleagues are busy trying to make sure that there is no distinction between themselves and that party.

The majority of our party is leaning toward the Republicans, saying we ought to agree with them 85 percent of the time, roughly, which leaves us with 30 or 40, maybe 50 elected representatives who at this moment have the courage to stand up and challenge. That, in my estimation, is not enough to turn back this incredible reactionary tide.

So what then—what I am suggesting is to go beyond this, beyond the 18 members of the Congressional Black Caucus. In my estimation, the only factor inserted into the equation at this moment to bring the significant change advocated by all of the witnesses is the insertion of the people to move away from being nonparticipant observers of the 6 o'clock news, where we lay out business by the body politic like we are exploiting the Super Bowl—who won today, Ronald Reagan or Tip O'Neill, the House or Senate? People turn off the television set and they proceed with the scorecard.

We need to talk about a renewed activism in this country by the American people. We have relied over the past few years on public officials. There is not enough of us to turn things around. For the most part, most politicians are not leaders but followers. The tragic reality is that many people look at Washington, D.C., as if it is a place where leaders reside. I would suggest it is a place where mirrors reside. Mirrors tend to reflect back what people want to see. Unfortunately, what politicians would like for people to see when they look into the mirror is themselves, because people don't tend to challenge themselves. These politicians are trying to mirror back what they hear—what they have been hearing, disproportionately in the body policy over the last several years.

It is a very well-organized, highly financed, highly vocal right wing that has dominated the political arena, dominated the parameters of debate and discussion. What my colleagues have to hear is what I perceive to be the overwhelming majority of American people. I don't believe the majority of the American people have moved to the right.

The second statement is Ronald Reagan made a speech several weeks ago with respect to the deployment of nuclear weapons in Europe. In that speech he changed his rhetoric, but I would suggest it was not because Ronald Reagan suddenly experienced some emotional and spiritual metamorphoses. He changed the rhetoric of his speech because 350,000 people were demonstrating in Brussels, and 300,000 in Bonn, and 250,000 in Rome, and several hundred thousand people demonstrating in every major European capital. That shook him, European leaders, and this country to its very knees with respect to that issue.

I am saying if European mobilization of tens of thousands of people could change the rhetoric, it staggers my imagination what we could do if tens of thousands of human beings in every major city in this country began to express themselves on the insanity of the arms race, on the absurdity of a bloated, wasteful military budget and on the cruelty of a set of priorities that are crushing millions of our people.

The point I am making is yes, I think the challenge has to be there for those 17 or 18 people of the Congressional Black Caucus members. I, for one, I can't speak for everybody, but I am out here to do just that. But I am also saying to you that it would be dishonest on its face if I said to you that there are enough people with that level of perception, integrity or conviction who are prepared to challenge at this moment.

My colleagues are not posing alternatives because they are busy trying to figure out how to survive this election year. We have to preserve the massive number of people. I would like to see major demonstrations throughout this country in every major city and, over the longer run, the political mobilization of people who can bring forward in the body politic alert and sensitive and progressive political leadership.

I think what will move us through the eighties and into the nineties is not right wing politics, middle of the road politics, knee-jerk liberal politics, but left, progressive-thinking humans, because the values that we are espousing here are progressive ideas that in my estimation will never be realized with reactionary or moderate or timid leadership. [Applause.]

Mr. McMillen. I appreciate the spirit of your remarks and I agree with those. First of all, I can't refer to any party in this country as our party. That doesn't exist to me.

Second, I think we need to be about the business of creating a new political dynamic here that doesn't exist, also. You can say part of the blame of our position is a lack of concern by our people who watch the boob tube and are apathetic. But I think it is a dynamic process that goes on. One feeds the other.

If we don't see the leadership taking a stand, getting out there on the limb, you know, what are we to do? I think also there is a responsibility of leadership and people that have knowledge to integrate themselves and share their knowledge, and even more so. I think that kind of integration or inner penetration helps to mobilize, inspire, and arouse our people to move.

But I don't think our people are apathetic. I think they are discouraged. We have been beaten down and we have a lot of confusion out here.

The Chairman. I don't suggest apathy. What I do suggest is that our American media programed people to be nonparticipant observers. What I am saying is that we have to get outside of that kind of programing. Not that I think people are apathetic. I think people have been kept ignorant, by a very mediocre approach to problems. We know more about where the fires are in our various communities than we know about the political dynamics oppressing people in our communities. Because the media is more interested in reporting events. That is one of the problems, and I think that inhibits.

So we are going to have to go on the road; and they have turned us into spectators. What we have to do is go on the road, as we are doing here, to try to stimulate people to be part of the educative process; to go out there and be vulnerable and be open and say to the people here are the issues and here is where we have to go. We are in agreement.

I wanted to add one point; that we also have to say to the people there is a need for activism because you and I as representatives are only as powerful as the people who are willing to stand with us. I think that is what I am hoping—what we are hopefully doing in moving these hearings around, is to capture the imagination of people and tell them that all is not lost. That we can, indeed, turn this around if we have the will and courage to do it.

Let me ask you three or four very specific questions with respect to your testimony.

A number of witnesses who came before us—Washington, Philadelphia, and Los Angeles—on the question of the use of deadly force, said that one of the unfortunate realities is that in many major areas around the country we have different policies with respect to deadly force. And I asked each of these witnesses, and the majority of them agreed, I said, "Is there a need for a national policy governing the use of deadly force by police officers, so that there is a uniform respect for human life in the United States, so we don't go jurisdiction by jurisdiction?" In one place you can get your head blown off; in another place in the same situation you don't. That we establish a national policy on the question of deadly force which says we respect human life, and there is a standard here, and that we are very sensitive about the taking of human life, therefore we set a national standard that preserves the integrity of human life and makes it extremely difficult to engage in the use of deadly force.

The only way one could do that is to establish a national policy that brings national focus to this issue. All of the various police officers that I talked to, who testified, the police chief of Atlanta and several others, said we need to have a national policy on the question of deadly force. Would you agree with that?

Mr. McMILLEN. Yes, sir, I am very much concerned with every method we can utilize to prevent needless loss of life. I think establishing a standard policy around the country could be of assistance in this area, in helping to standardize the methods and practices of police officers.

All too often, though, we have seen policies and practices not being in unity. And there is a policy here, but the practice is here. Even in Houston we have seen the use of "throw down" guns as a way of covering up for police officers' actual murder of a person, even though they have all kinds of tricks and measures to get around the written word, so to speak.

I think it is a kind of assistance to have that kind of legislation and whatever you can do as far as the struggle to get this would be of help to us, and I think it would be a kind of victory.

I am concerned, however, about how we can get on this chase of reforms, as opposed to real systemic surgery that is needed here, because in England, for example, here they have no arms held by the police, but you still have a racist society that colonizes colored people, people of African descent. People are still basically facing the same kind of problems we face here, and perhaps worse.

The politico-economic system of this country is a damnable one. The masses of the country live under a tremendous kind of depression. Black people are the target of a deliberate and systematic attack that threatens our existence. There is a tendency to try to operate in a business-as-usual manner. It fails to conform with reality.

We need a style of work, it seems to me, that directly aids the enhancement of grassroots organizations to become more powerful and independent. I think we all have a role to play. But there has to be some way to coordinate; to become, in operation, in a unified way so that if we fail to yield to police brutality we recognize that we develop a standard on uniform police practices.

But what is it that is going to go from there to deal with the police issue? Because we are talking on a superficial level, on an area that doesn't penetrate to the real problem of the Constitution that exists to protect a few and oppress the many, you know, the basic kind of things are still there. So any little things we get, as Mr. Locke pointed out earlier, we end up fighting for all over again 2 or 3 years earlier. Because they can give it, they can take it away.

You know, I am saying that I think something in addition to that, much more basic, will have to come out of this participation you talked about earlier, involving a great number of people that are beginning to tap this resource that has been held back and just put in the kind of robotlike stage of passiveness.

I think, you know, combined with these kind of efforts, to me, we would be heading in a more progressive direction.

The CHAIRMAN. I yield to counsel.

Mr. DAVIS. Counsel is concerned to know, how far do you suggest we go in terms of trying to regulate police conduct? I mean the essence of what you are saying suggested that you think there is something more fundamental, something yet more basic that can be done. We would like that suggestion for the record.

Mr. MCMILLEN. Let me tell you a personal experience I had this week. There were about 20 representatives of a coalition against police brutality that met at city hall and laid it out on the table. Twenty people laid out incident after incident of police acts of terror within the black and brown, and even white, communities of this city. It became evident to me that if this is true it was just a constant boom of incidents from 1977. We had it documented.

It seemed to me that there wasn't any news that this was going on. Still that body of government asked us to further document it for them, where it is their responsibility to do so. It became apparent to me that if everything we are saying is true, and I wholeheartedly know it is true in my heart, that the Houston Police Department operates in a systematic and deliberate way to annihilate people of color and other political groups and interests other than their own, then something more is needed than a civilian review board.

Mr. DAVIS. Do you think one of the reasons that could be happening is for the lack of successful prosecutions in any of these incidents that you mentioned, because there are so few prosecutions to begin with and hardly any of them to our knowledge are successful?

If you had a national standard and it turned out to be consistently violated, the assumption would have to be that you could at least get some successful prosecutions against those violaters which there is a crying need for presently. Is that something you could agree with?

Mr. MCMILLEN. I think that is a basic problem. In fact, there was a recent killing in Texas—drunk, three young persons drowned in Texas at the hand of police officers. The prosecution of that case is definitely required. Active, very aggressive prosecution in this case against those police officers is required. The State of Texas can only, at a maximum, have those officers pay a $1,000 fine or spend 2 years in jail. That is the maximum thing that can happen. In no way is this justice.

There is something even more basic. You can have active prosecution like a notorious case and police officers get a $1 fine and a year's probated sentence. So I think that we have to look a little deeper. We have to look at a long struggle and get more involved in this process and not look at elections or so forth as the only weapon we have, or the only solution we have.

We have to use a combination of things.

Mr. DAVIS. Thank you.

The CHAIRMAN. Mr. Locke, in your testimony you mentioned two Houstons, one affluent and one in need. Can the affluent Houston afford to permit the continued deterioration of that part of Houston that is in need? In other words, what is the relationship there and is the affluent Houston diluting it by allowing the needy Houston to deteriorate, using your background?

Mr. LOCKE. Since I am not a member of the affluent Houston I couldn't presume to speak for them. I think strategically it is not in their best interest to allow for the continuation of two cities to coexist in the same kind of way, because such coexistence will not be a peaceful one over the coming years.

The CHAIRMAN. This is what I am trying to get at.

Mr. LOCKE. I think our experience in the late 1960's, when people's expectations had been raised and then crushed, led to wholesale frustration and violence in this country. I think we are not too far removed, unfortunately, from days, months, years when we will again see the return of violence, politically motivated, from people's frustrations in this country.

From the Chair you suggested and Mr. McMillan said there was a possibility of mass political education. That is assuming that mass political education is structured, organized, in the framework of first amendment permissible rights. I don't think it will be that nice and easy.

I think that from where I sit and having seen and continue to see the frustrations that people have and the inability to turn to anybody who has a solution to this monster, that frustrations are mounting generally. We are, in this city, moving toward a boiling point. I don't think that the point at which it boils will be a pretty sight for Houston. But Americans have a long history of having to be awakened and maybe this is a kind of a cycle that America wants to carry itself through.

I would hope that that is not the case, but I think it is a real possibility.

The CHAIRMAN. I agree with you. I think the present course of this country is a recipe for incredible disaster. To pursue this course means in my estimation to pursue an explosion in this country or in the international agreement or both. I think that is a fact.

The question in my estimation is can we [illegible] some way contain the explosion and survive the explosion to move forward. I think there is going to be an explosion. It is just a question of how powerful and whether we will indeed survive it.

The second place where I agree with you, I also don't believe that it will be a very neat thing. If you look at this administration, it is very interesting that a week or so ago a group of journalists in an association—I don't recall at this moment the exact name of the organization—said that this administration on the issue of first amendment and on the issue of openness of government flunked in its first year. And that there, with the directive to allow the Central Intelligence Agency to engage in domestic surveillance, the incredible number of bills that are in the House and Senate that would deny the Federal courts intervention into certain areas, broader jurisdiction of the FBI, efforts to thwart the capacity of people to gain information from the Federal Government through the Freedom of Information Act, and a number of other threats to civil liberties that I think you are absolutely right.

What we are facing is not only a situation calculated for an explosion. I think these people have also anticipated that potential and are laying in place some very, very reactionary efforts to thwart civil rights and civil liberties. I think while there is an external sort of devastating aspect to this policy, there is an internal consistency here that is extremely frightening and in my estimation extremely dangerous.

Mr. **Locke**. I think indirectly, I would like to make this comment, I think strategically, for people who are concerned about changing life in America, and making some qualitative change in the way Americans live, it is very, very important for us at this juncture to utilize what is available for us. We have a tradition of being able to protest, to demonstrate, to redress grievances in a public fashion.

I hope the day never comes when we have produced a generation of Americans, black, white, brown, and yellow, who see demonstrations as somehow an un-American thing, and therefore when we are in the street calling for change in society, we are viewed as un-American.

I think there is a real possibility for that because I would agree wholeheartedly with what Mr. McMillan has suggested, that there are a lot of arsenals available to the American people who want to make change. Electoral politics is one and is a very important weapon, but it is not the complete arsenal.

Electoral politics is the exercise of first amendment rights, in its most complete form. I think that is the threat that is really great, if people stop being activists in any form, it is over.

The **Chairman**. Thank you.

Dr. Henson, I would like to turn to a little different subject matter and ask you two questions. One, how seriously has the Urban League been affected by the budget cuts? What is the impact upon the Urban League's inability to function given those cuts if that is your answer?

And, second, I would appreciate if you would respond to this comment. On a number of occasions President Reagan has been asked the question, how do we solve unemployment? With a group of mayors from around the country, he said, "Sunday I picked up the newspaper. I saw 24 pages of want ads. I can't understand why there is unemployment in Washington, D.C." Or when asked in a press conference how do we address the problems of unemployment, the President of the United States said:

> As I move around the country and pick up newspapers from around the country there are a minimum of 20 to 25, 30 pages of want ads. I can't for the life of me understand why these jobs are not being filled, why there is such incredible unemployment?

Dr. **Henson**. First, I am new as executive director of the Houston Area Urban League, 2 more days it will be a month now. But I am aware we did have a significant contract with the CETA funds and previously the OJT program. We no longer have those city contracts. The OJT program has been given to the Mexican-American organization and it has seriously hampered our efforts to continue to develop jobs in the job market here in Houston.

Currently there will be plans for our national office to try to develop alternatives and continue discussions with the new city leadership for additional contracts, if possible.

The **CHAIRMAN**. Alternative funding?

Dr. **HENSON**. Yes, funding, looking at the private sector. Because we understand there is some money or private sector training. But right now we have not been able to identify that. Houston, as you know, has one of the largest want ads in the United States. I think that the Sunday newspaper Chronicle and Post is sent around the country. However, with us right here in Houston, our minority community doesn't mean anything because those jobs are very highly technical type jobs and do not speak to the unskilled people that are in the community, the largest segment in our community, black citizens that are unskilled. There is a need for job training programs.

As I said earlier, with the influx of trained people from the Midwest and East, and with the influx of illegal aliens and other foreigners, we find ourselves in a worst situation than what we were, as Mr. Locke said, in the sixties. We seem to be going back instead of forward. No really serious consideration has been given. We have been put into this whole group of definition of minority and that definition of minority has gotten us into a very serious problem. In the sixties it included women and all others, and as a result we are the largest minority but we are getting the smallest piece of the economic pie.

The **CHAIRMAN**. I thank you for your response. Mr. Locke, you expressed a great deal of skepticism with respect to the demoters of the State, as regard, providing necessary resources to allow the local communities to assess their problems. Given that skepticism, what do you think would happen in Texas generally, or in Houston in particular, under a New Federalism? Do you think in phase 3, for example, where the States give out the latest program, would they have the right to opt out, or that in certain instances, with respect to services to those most in need in our community, that it is conceivable that this State would opt out of this program?

Mr. **LOCKE**. I think that is certainly a real probability in many areas. But I think it goes deeper than that. Because Texas does not have a history of being a State socially concerned about its citizens, we therefore don't have the administrative infrastructure to carry out the programs. That is starting point No. 1.

If you dump all of the money into Texas and say run all of the programs you want to, we don't have the machinery at the State level to do it. It would take years to develop that capability and people would suffer in the process. And that assumes the State of Texas in fact wants to develop the capability. That is really what is at issue here.

My assertion, my testimony, to be clear and very clear, the State of Texas historically has not wanted to provide for the social needs of its people. It does not want to now. And in the immediate and foreseeable future it will not want to. Therefore, when massive infusions of Federal funds come to the State of Texas via block grants, even though they are earmarked as a block grant for education, the people at the lowest ends of the totem pole will not be the recipients of that block grant.

If a block grant comes in the form of energy and transportation, the people who really need the services the most will not be the recipients of it. That is the tragedy of the proposal by the President. Plus, most political scientists or social scientists will tell you that a Federal dollar given to the States is not as fiscally prudent an expenditure as a Federal dollar given directly to a city. Somehow the dollar is not worth as much by the time it goes from the Federal level to the State level on to the city level.

From a purely managerial sense, it doesn't make a whole lot of good sense. And finally, in looking at the competence of the elected officials in Austin, it leaves a lot to be desired.

The CHAIRMAN. I thank you very much for that answer. It was a very thoughtful response. Just one last question. We are scheduled to break until 2:30, and we are right at this point on time. But I would like to ask one additional question.

First, let me make this observation with respect to this country and its relationship to the issue of the New Federalism. Travel has always been a fundamental value in this country, freedom of movement has always been a fundamental aspect of American society. You can go from Texas to California, no problem. My thought is if we impose this administration's New Federalism, that people, as Ronald Reagan said, who vote with their feet, so they would move to those States where there is the sensitivity, there is the concern and there are the resources.

My thought is that then the response would come from within those jurisdictions and States, a very conservative response that says we are prepared to take care of our own but not anybody else's, which means then extremely rigid residence requirements, very stringent requirements with respect to qualification for these programs, the bottom line being that if we reimpose this sort of State's rights, New Federalism, that we will be creating the atmosphere for race conflict, class conflicts, and regional conflicts and restrictions of human mobility in this country that we at this point have not comprehended.

I would appreciate it if all of you would comment as to whether you think that is an accurate statement or if you disagree, where you disagree?

Mr. LOCKE. I think the assertion is very accurate. I think that the tragic reality of 50 States in a Federal union-type government is that by definition they are not equals. Some will always need more help than others. We have already seen in this area of the country the budding development of regionalism as a political thought.

It was particularly characterized in the winter when there was discussion of subsidizing fuel costs for homeowners in the North who burned heating oil, which is an unknown animal in this area of the country. The prevailing attitude among some Texans was the Yankees be damned, suggesting at least to some Texans that the Civil War is still going on.

When you hear that, you laugh. On the other hand there is a tragic truth to the fact that some people are politically still fighting the Civil War. The new level of regionalism that is now creeping into the political system is a dangerous tendency.

Mr. McMillen. I can't add anything to that eloquent statement.

Dr. Henson. I can't add anything to your statement. I fully agree with you. We will be moving to that kind of thing. I guess I am kind of talking about provoking this, because the black minority citizens here in Houston are faced with that kind of thing. We have not designed any mechanism for discriminating against other unskilled workers who are moving into the Houston area. As opposed to the Texans or Houstonians who have been here all of their lives and are still suffering.

The Chairman. I see the potential for extraordinary conflict. I think if people stop for a moment to really ponder the future, if you go back in time, embracing this concept of New Federalism, this administration's definition of government, I think all hell will break loose at a variety of different levels. I think at a time when we ought to be talking about nationalism rapidly, coming in, here is an administration that is going backward in time, instead of forward.

We deeply appreciate your taking the time to come before the committee. As we go over the transcript, we may have additional questions that we would like to ask you in order to complete the record, and if we could feel free to submit those questions to you, we would deeply appreciate it. We would like to thank you for your presentation.

The committee will stand in recess until 2:30.

[Whereupon, at 1:10 p.m., the committee was recessed, to reconvene at 2:30 p.m., this same day.]

## AFTERNOON SESSION

The Chairman. The Committee on the District of Columbia will be convened.

Our next witnesses are Dr. Jean Galloway, assistant health director for preventive medical services, city of Houston, and Miss Dolores Dodd, administrative assistant for health planning, also city of Houston.

I would like to welcome both of you to come forward. On behalf of myself and the members of the committee, and members of the staff, we welcome both of you to the hearing. Dr. Galloway, would you begin with your testimony? We have received your prepared remarks and you may proceed in any fashion.

## STATEMENT OF JEAN GALLOWAY, M.D., ASSISTANT HEALTH DIRECTOR FOR PREVENTIVE MEDICAL SERVICES, CITY OF HOUSTON; AND DOLORES DODD, ADMINISTRATIVE ASSISTANT FOR HEALTH PLANNING, CITY OF HOUSTON

### STATEMENT OF JEAN GALLOWAY

Dr. Galloway. I was just going to read from my remarks.

The health problems of the city of Houston probably in many ways reflect the problems and concerns of other large metropolitan areas in the United States. On the other hand, there is much that is unique about Houston, Tex., and to use its situation to make any sweeping generalizations about health care in America could be inappropriate.

One statement that can safely be made about Houston is that it is indeed a dichotomy. For the inner-city poor and ethnic minorities of "Boom Town, USA," nothing is booming, and the worst of times may just be around the corner.

The racial and ethnic composition of our city continues to expand and diversify. It currently has an estimated population of 44 percent blacks, 27 percent Hispanics, and 26 percent Anglos, which compose our Houston independent school district. This is coupled with an undetermined number of what I would say are "illegal" aliens, "legal" refugees from the Far East, and just about every other part of the world you can imagine, and also newcomer refugees from Detroit, Mich., New York City, and just about every other region of the United States as well.

Along with the well-educated and highly skilled class of people migrating here comes a poorer, less skilled and often desperate group of people, least able to fend for themselves but nonetheless seeking a better life. In all probability they have not had the best health care, either, and bring with them their accompanying health problems and their complications. They come to join the ranks of the poor and disadvantaged who have lived here all of their lives in the third, fourth and fifth wards of our city.

This unbridled growth situation in Houston, together with the "New Federalism," and the general economic picture of the country—that being of inflation, recession or depression, depending upon whether you are wealthy, middle class or poor—spells trouble for our urban minorities and poor. We cannot depend upon the local government and private industry to bail them out of trouble. These entities either do not have the resources, or as past history has shown, are not always willing to do so, and the term "boom town" should not imply that milk and honey is flowing freely everywhere—because it is not. Oil money is not flowing on Lyons Avenue, nor is it likely that it will.

As a public health administrator and physician in charge of clinical services for our city's health department, I am here to give testimony to the fact that Federal assistance to the States and local municipalities must continue in some form. It must not be allowed to be dissolved any further.

Our health department is reported to be one of the largest city public health agencies in the country. In our family health service programs alone—meaning well-child, prenatal and family planning—we saw close to 150,000 patients last year. In addition, we performed over 338,000 immunizations, treated 185,000 people for gonorrhea and syphilis, and identified and examined 2,787 TB contact cases. In the past few years we have contained outbreaks of rabies, meningitis, and have attempted to contain outbreaks of venereal disease and adolescent pregnancies, but not quite as well.

Our budget is large, as local health departments go, with a good portion of it coming directly from Federal grants or indirectly from the Federal Government through State funds. We receive approximately $350,000 annually for the WIC program—and this is a very important program for childbearing women—which is a nutrition program for childbearing women, infants and children; close to $1 million from titles V, XIX and XX for family planning; and a similar amount for maternity and infant care to provide prenatal care to pregnant women, and well-child services to children under the age of five.

Other resources include community development funds for lead-based paint removal and stray animal control in the amount of $370,000; dental services—EPSDT $32,000, State dental $50,000, migrant and other dental grants $118,000; VD funds of $841,000, and childhood immunizations, $190,000. All together in 1981 the city of Houston Health Department received $710,795 in direct Federal grants, indirectly $1,118,652 in State categorical grants, and $2,592,928 in State contracts. An additional $2,526,714 was received from other Federal, State contract, and State categorical grant awards.

Already, some of this money has been cut—for example, our lead screening and community development projects, 25 percent; our family planning and maternity and infant care by 25 percent so far. We have been threatened with further cuts and we don't know how many we will experience there.

What is really bad is that nobody knows what to expect. We get lots of rumors from Washington that this amount is going to be cut, or so many positions or personnel are going to be cut, and generally they say they will give us about 50 days which is, of course, no time at all to do anything about replacing people or coming up with funds.

We have been fortunate in having a city government that has been willing to match Federal funds, to pickup expenses of those programs whose grants are decreased, along with providing the lone support for most of our services.

But this trend is not going to continue. Already our city is finding it difficult to provide adequate basic services such as police, fire, water, and garbage services to newly annexed areas, not to mention keeping up with these services in the inner city. Our city budget watchers are beginning to say that they are looking more favorable upon those city services that can generate some revenue, either in a fee for service and other charges, or at least services to tap third party reimbursements, such as health insurance, Federal grant reimbursement programs, medicaid, et cetera. The problem with such an approach to health care funding is that although it is very cost effective to provide, preventive health is not high on priority lists of communities faced with tax increases to cover city services. And they have so many other services to provide as well. Services like police protection, for example, would much more easily get the attention of the public because that makes headlines and is brought to people's attention. If we get up and say we still have too high an infant mortality rate, in a country of this size and this magnitude, that is supposed to be as advanced as we are, that doesn't mean anything to anybody—here in Houston we have an infant mortality rate of 15.02 deaths per 1,000 live births—or that we still are having cases of measles outbreaks, in a day and age when measles should be a thing of the past. And preventive health care services do not lend themselves easily to revenue generation, if we could charge money and pickup money. The people who come to us for clinical services, in particular, would go to a private physician if they could afford to pay.

Additionally, the block grant method of funds allocations promises to generate a certain amount of competition among the various health care programs that can result in an unfair distribution of funds. The severity of this competition has been lessened a little bit by the fact that the Government consolidated more related programs into block groupings than was originally planned. For example, they planned to have maternal and child health and mental health pitted against each other. Now those have been separated. This might help to prevent States from having to choose between one major service over another. However, there still will be a large amount of reduced funds as the States begin to utilize a sizable amount of the moneys for administration, and predictably, a larger proportion of money is going to come off the top and be dispensed to rural areas over metropolitan areas because the rural areas have smaller taxes bases. Often in the State legislature they have a stronger pull, however.

All of this is not to say that the relationship created between the Federal Government and its local recipient agencies has all been a bed of roses. On the contrary, Federal regulations and reporting requirements in particular have often placed an unnecessary hardship on State and local health agencies, usually resulting in increased staffing and administrative costs to meet voluminous paperwork requirements. Also, indices chosen by the Federal Government to monitor program compliance are often not quite as relevant to the true success of the program. One example is what the number of patient encounters or head counts is. The more patients we can count up and say we saw, the better they would say we are doing. However, very little credit is ever given to the number and scope of group encounters or mass media contacts made by health educators, for example, using the mass media and so forth to get our message across. These things do not give us any points or credit at all. But in something like family planning, this is probably a much more efficient way and effective way of delivering family planning and getting better results. This posture completely negates the importance of a strong health education campaign in waging the battle against unwanted, unplanned pregnancies.

One current proposal to attach a parent-notification requirement to family planning funds aimed at adolescents will set teen family planning and pregnancy prvention efforts back considerably. This must not be allowed to happen. With this kind of bill that Mr. Schweiker is talking about, what will happen is a lot of teenagers who felt free to come to us for health education, for sex education, and for family planning, would risk pregnancy instead. Also, we will go back to the days where people resorted to home remedies and other kinds of things. We will get back into abortion mills and all sorts of problems because people just aren't—lots of teens don't want to notify their parents of their sexual behavior.

In general, the consequences of Houston losing some of its programs would be:

One, childhood immunization. We would see a resurgence of totally preventable but deadly diseases such as polio, diptheria, tetanus, et cetera. This is a particular important program in light of Houston's highly mobile and immigrant population. We have people immigrating here, coming from south of the border, that probably never heard of immunizations down there. We have not seen polio and we don't see these things as much any more, but we will start seeing it again unless we keep the lid on what could possibly be an explosive situation, particularly in a border-type town like Houston.

Two, VD is already at epidemic proportions throughout the country. Houston is a port city with a young, mobile population and with characteristics of a border city. It would be a disaster area if the VD program were to suffer any setbacks.

Three, the rodent control we're going to lose. We'll see children being bitten by rats, a rise in diseases carried by rodents, such as leptospirosis, and increased infant mortality secondary to rat bites would occur. In a city like this, that is modern, it is totally unacceptable.

Four, maternal and child health. Increased maternal and infant mortality and morbidity resulting in more premature and sickly babies being born, and more maternal complications at birth, this leads to greatly increased and prolonged medical care. Everybody looks at the large medical center we have. Medical care after you get sick is fine. But once you get sick, it is very costly, and that really doesn't make much sense. We have lots of women who don't see a doctor before they have a baby. We have done a good job at curtailing some of that, but if we lose any funds, that is going to set us back tremendously.

Five, teen pregnancy. Lone term economic burden to communities which must support and care for unwanted children and support unskilled mothers unable to enter the competitive labor market. Not to mention the social consequences of children who are raised by immature parents.

Six, family planning. Again, the consequences include a society having to help support unwanted children.

What we need now is, one, some sort of regulatory mechanism established by the Federal Government to assure that States disperse their block grant funding in proportion to need, such as population density.

Two, assistance in keeping administrative costs contained so that money is not drained from services at the State level for unnecessary administrative activity.

Three, allowance for an adequate planning and transition phase so that States may respond to their new responsibilities in the most efficient manner possible, both financially and administratively.

Four, cessation of any further programmatic restrictions which could seriously impede our agencies ability to deliver a service, such as the proposed parental notification requirement for adolescents receiving family planning services.

Five, a willingness on the part of the Federal Government to subsidize or even recapture priority programs that may falter or experience their demise under the New Federalism.

Despite any past problems with Federal funding, we must not sanction the Federal Government's retirement from the health care business. Too much progress has been made over the last 20 years to see it all abandoned now. There were valid reasons why the Federal Government got into the health care business in the first place. Those reasons have not been eliminated. States and local municipalities cannot assume such a massive fiscal and administrative responsibility, particularly in such a short period of time, nor can they be expected to always make the best health planning decisions that are free of local socio-politico-economic trends and influences, and generally in the best interests of the whole.

The CHAIRMAN. Dr. Galloway, I would like to thank you for your opening remarks.

[The prepared statement of Dr. Galloway follows:]

### TESTIMONY ON HEALTH CARE BY JEAN NELSON GALLOWAY, M.D., ASSISTANT DIRECTOR FOR PREVENTIVE MEDICAL SERVICES, CITY OF HOUSTON HEALTH DEPARTMENT

The health problems of the city of Houston probably in many ways reflect the problems and concerns of other large metropolitan areas in the United States. On the other hand, there is much that is unique about Houston, Texas, and to use its situation to make any sweeping generalizations about health care in America might be inappropriate. One statement that can safely be made about Houston is that it is indeed a dichotomy. For the inner city poor and ethnic minorities of "Boom Town," U.S.A., nothing is booming, and the worst of times may be just around the corner. The racial and ethnic composition of our city continues to expand and diversify. It currently has an estimated population of 44 percent Blacks, 27 percent Hispanics, and 26 percent Anglos composing our Houston Independent School District. This is coupled with an undetermined number of "Illegal" Aliens, "legal" refugees from the Far East and just about every other part of the world you can imagine, and newcomers from Detroit, Michigan, New York City, and just about every other region of the United States as well.

Along with the well-educated and highly skilled class of people migrating here, comes a poorer, less skilled, often desperate group of people, least able to fend for themselves but nonetheless seeking a better life. In all probability they have not had the best health care either, and bring with them their accompanying health problems and their complications. They come to join the ranks of the poor and disadvantaged who have lived here all of their lives in the 3rd, 4th, and 5th wards of this city.

This unbridled growth situation in Houston, together with the "New Federalism," and the general economic picture of the country (inflation, recession or depression depending upon whether you are wealthy, middle class or poor), spells trouble for our urban minorities and poor. We cannot depend upon the local governments and private industry to bail them out of trouble. These entities either do not have the resources, or as past history has shown, are not always willing to do so and the term "Boom Town" should not imply that milk and honey is flowing freely everywhere. Because it is not. Oil money is not flowing on Lyons Avenue, nor is it likely that it will.

As a public health administrator and physician in charge of clinical services for our city's health department, I am here to give testimony to the fact that Federal assistance to the States and local municipalities must continue in some form. It must not be allowed to be dissolved any further. Our health department is reported to be one of the largest city public health agencies in the country. In our family health service programs alone (i.e. well child, prenatal, and family planning) we saw close to 150,000 patients last year. In addition we performed over 338,000 immunizations, treated 185,000 citizens for gonorrhea and syphilis, and identified and examined 2,787 TB contact cases. In the past few years, we have contained outbreaks of rabies, meningitis, and attempted to contain epidemics of veneral disease and adolescent pregnancies. Our budget is large, as local health departments go, with a good portion of it coming directly from Federal grants or indirectly from the Federal Government through State funds. We receive approximately $350,000 annually for the WIC program (which is a nutrition program for child-bearing women, infants and children); close to $1 million from titles V, XIX and XX for family planning;

and a similar amount for maternity and infant care to provide prenatal care to pregnant women, and well-child services to children under the age of five. Other resources include community development funds for lead based paint removal and stray animal control ($370,000); dental services (EPSDT $32,000, State dental, $50,000, migrant and other dental grants $118,000); V.D. funds $841,000, and childhood immunizations—$190,000. All together in 1981, the city of Houston Health Department received $710,795 in direct Federal grants, indirectly $1,118,652 in State categorical grants, and $2,592,928 in State contracts. An additional $2,526,714 was received from other Federal, State contract, and State categorical grant awards.

Already, some of this Federal money has been cut, e.g. our lead screening and community development projects; our family planning and maternity and infant care by 25 percent so far; and the rest of our grants are in limbo, anticipating that "the axe will fall any day."

We have been fortunate in having a city government that has been willing to match Federal funds, pick up expenses of those programs whose grants are decreased, along with providing the lone support for most of our services, but we cannot expect this trend to continue. Already our city is finding it difficult to provide adequate basic services such as police, fire, water, and garbage services to newly annexed areas, not to mention keeping up with these services in the inner city. Our city budget-watchers are suggesting that they are looking more favorably upon those city services which can generate some revenue (e.g. fee for service and other charges) or at least tap 3rd party reimbursements, (such as health insurance, Federal grant reimbursement programs, medicaid, etc.). The problem with such an approach to health-care funding is that (1) although it is very cost effective, preventive health is not high on priority lists of communities faced with tax increases to cover city services. Front page headlines giving accounts of the most recent violent crimes committed motivate citizens to vote for more policemen. They are not equally impressed by reports that Houston still has an infant mortality rate of 15.02 deaths per 1000 live births, or that we still are having cases of measles outbreaks, in a day and age when measles is entirely preventable; and (2) preventive health care services do not lend themselves easily to revenue-generation. The people who come to us for clinical services, in particular, would go to a private physician if they could afford to pay.

Additionally, the block grant method of funds allocation promises to generate a certain amount of competition among the various health care programs that could result in an unfair distribution of funds. The severity of this competition has been lessened by the fact that the government consolidated more related programs into block groupings than was originally planned. This will prevent States from having to choose between one major service over another; e.g. between maternal and child health versus mental health. However, there still will be a large amount of reduced funds as the States begin to utilize a sizable amount of the monies for administration, and as predictably, a larger proportion of money is dispensed to rural areas over metropolitan areas because of the rural areas' smaller tax bases.

All of this is not to say that the relationship created between the Federal Government and its local recipient agencies has all been a bed of roses. On the contrary, Federal regulations and reporting requirements, in particular, have often placed an unnecessary hardship on state and local health agencies, usually resulting in increased staffing and administrative costs to meet voluminous paperwork requirements. Also, indices chosen by the Federal Government to monitor program compliance are often not quite as relevant to the true success of the program as other indicators might be. One example is that the number of patient encounters or "head counts" is usually the primary index by which family planning programs are judged. Very little credit is ever given to the number and scope of group encounters or mass media contacts made by health educators, for example. This posture completely negates the importance of a strong health education campaign in waging the battle against unwanted, unplanned pregnancies.

One current proposal to attach a parent-notification requirement to family planning funds aimed at adolescents will set teen family planning and pregnancy prevention efforts back considerably. This must not be allowed to happen. Many teens would risk pregnancy or resort to "home remedies" rather than notify their parents that they were seeking birth control services.

In general, the consequences of Houston's losing some of its programs would be:

(1) Childhood immunization—resurgence of totally preventable but deadly diseases such as polio, diptheria, tetanus, etc. This is a particularly important program in light of Houston's highly mobile and immigrant population.

(2) Venereal disease—gonorrhea and syphilis are at epidemic proportions throughout the country. Houston being a port city with a young population and with char-

acteristics of a border city, at the same time, would be a disaster area if the V.D. program were to suffer any set-backs.

(3) Rodent control—a rise in diseases carried by rodents, such as leptospirosis, and increased infant morbidity secondary to rat bits would occur.

(4) Maternal and child health—increased maternal and infant mortality and morbidity resulting in more premature and sickly babies being born, and more maternal complications at birth, leading to greatly increased and prolonged medical care.

(5) Teen pregnancy—long term economic burden to communities which must support and care for unwanted children and unskilled mothers unable to enter the competitive labor market. Not to mention the social consequences of children being raised by immature parents.

(6) Family planning—again, the consequences include a society having to help support unwanted children.

What we need now is:

(1) Some sort of regulatory mechanism established by the Federal Government to assure that States disperse their block grant funding in proportion to need (e.g. population density).

(2) Assistance in keeping administrative costs contained so that money is not drained from services for unnecessary administrative activity.

(3) Allowance for an adequate planning and transition phase so that States may respond to their new responsibilities in the most efficient manner possible, both financially and administratively.

(4) Cessation of further programmatic restrictions which will seriously impede our agencies ability to deliver a service (such a the proposed parental notification requirement for adolescents receiving family planning services).

(5) A willingness on the part of the Federal Government to subsidize or even recapture priority programs that may falter or experience their demise under the "New Federalism".

Despite any past problems with Federal funding, we must not sanction the Federal Government's retirement from the health care business. Too much progress has been made over the last twenty years to see it all abandoned now. There were valid reasons why the Federal Government got into the health care business in the first place. Those reasons have not been eliminated. States and local municipalities cannot assume such a massive fiscal and administrative responsibility, particularly in such a short period of time, nor can they be expected to always make health planning decisions that are free of local socio-politico-economic trends and influences, and generally in the best interests of the whole.

The CHAIRMAN. We will next hear from Mrs. Dodd and then we will question the panel.

Mrs. Dodd, you may proceed in any fashion you choose.

## STATEMENT OF DOLORES DODD

Mrs. DODD. Mr. Chairman and committee members, may I express my appreciation for this opportunity to present testimony before you.

I feel it is quite fitting at this time that instead of presenting my personal views, I have chosen to represent a group of young Houstonians, and their fears, their concerns, their frustrations, and their views on some of the problems in urban centers. As a matter of fact, just this morning, when I spoke with my 19-year-old, a student at the University of Texas, he implored me, "Mother, please speak for us because you know us as well as you know health." So, instead of speaking particularly as a health professional, I have opted to speak as a parent of three young adults with many fears, many frustrations, and many concerns. Unfortunately, the voices of these persons really might be distorted, or they might go unheard, unless I do that.

It is still very true that here in the urban centers it is usually the judicial system rather than the educational system that is the first to discover the genius of many of these young people. It could very well be the breakdown in family units or it could be other things. However, the problems in urban America emerge in a number of critical issues related to a segment of the population that is at higher than usual risk for many of the social and economic ills of urbanism.

The young people who live in communities and circumstances that place them in this untenable position are not the forefathers of this great society. However, these young people are the heirs who are victimized. They have legacy to a period when all levels of government are expected to reduce support for basic human services that are essential to basic human needs.

I have spoken with college-age young people; I have spoken with high school students; I have spoken with other young people who are not a part of the work force. I would like to submit for your consideration some of the critical issues detailed in recent local and national summary reports.

The Nation has experienced a remarkable reduction in death rates since 1960 for most age groups except one—young people ages 15 to 24. Between 1960 and 1979 the mortality rate for young people between ages 15 and 24 climbed by 7.5 percent to total 50,000 deaths annually.

The most vulnerable young people have a higher than average incidence of health problems and related social ills, including:

Teen pregnancy, resulting in approximately 600,000 births to mothers aged 19 or younger, often preventing young women from completing a high school education or becoming self-supporting. Further, the risks of low birth mortality are 2 to 2½ times greater than if pregnancy is delayed until after age 20.

Alcohol abuse is affecting about 3.3 million, whose ranks are rapidly growing. Over the last 5 years, the number of high school seniors consuming excessive amounts of alcohol increased to 41 percent. Hospitalization for alcoholism among 15- to 24-year-olds increased by 44 percent between 1974 and 1978.

Drug abuse, as reflected in a 1978 survey of high school seniors, indicated that 54 percent had used an illicit drug within the previous year, and that the daily and near-daily use of cocaine, stimulants, and inhalants was increasing.

Violence is another social ill affecting this group. Frequently the outcome of alcohol or drug abuse and adolescent depression accounts for the first three leading causes of death among 15- to 24-year olds. Accidents caused nearly 55 percent of all deaths in this age group in 1978. Approximately one-half were alcohol related and nearly three-quarters the result of automobile accidents. Homicides over the past 20 years have nearly tripled in rate for 15- to 24-year-olds, from 4.7 per 100,000 in 1960 to 13.2 per 100,000 in 1978. It is estimated that one-fourth of these were related to alcohol abuse. Suicide rates for young people have increased by 75 percent since 1968 compared to only a 17-percent increase for all ages. Estimates are that one-third of adolescent suicides are alcohol or drug related, and that for every suicide death there are an additional 100 attempts.

Mental illness contributes dramatically to suicide, homicide, and other violent behavior as well as to drug and alcohol abuse. It is the fourth leading cause of hospitalization among young people.

The situation is compounded for many young people who suffer from many of these problems simultaneously, placing them at high risk of disability or death. Unfortunately, there is no place for them to go to have these ills attended under one roof, one facility.

What I would suggest here is that perhaps there could be some Federal incentive for consolidation of services so that community resources could be combined, whether it be public health facilities or private sector facilities, teaching hospitals, educational institutions, social service agencies, or what have you; that there be some kind of service linkages fostered through some kind of Federal support whereby these persons, instead of receiving the fragmented services that they are now receiving, might receive services in some consolidated manner, which we feel would be far more cost effective and would certainly have a greater impact on relieving some of these social ills among this age group.

When we speak of the health issue, the urban health initiatives of the seventies, we have more or less a feeble attempt at some kind of service integration, or some kind of service linkages. However, even with the urban health initiatives, there were not in place the adequate guidelines or technical support to really foster the development of any kind of long-range consolidation of some kind of long-range service mechanism that might actually meet the needs. And when we look at some of the urban initiatives of that period, many of those initiatives were not directed toward the age group of which I now speak, whose concerns I now share. That was kind of a forgotten group. I imagine that many of us, years ago in the sixties, read the book "The Invincible America." Here we are in the eighties, and I wonder would you ask the question: Is this age group part of that invincible America?

We would like to think we have gone beyond that by far, but I am sure you would agree with me that we concentrate greatly on programs for the very young, and we concentrate greatly on programs for the seniors. But when we look at the senior group, we realize that within the senior group we have many persons who are retired. Some of those persons might have been retired from management or other kinds of business endeavors. So those persons have the ability to maneuver the system and negotiate for themselves.

We are talking about a group of persons here who really have no one to speak for them. Yet their needs are being manifested in many of the social ills we find in our urban centers.

Another issue I would like to address for this same group is employment, unemployment, and underemployment. Here in Houston, we have been referred to as the golden buckle of the Sun Belt. Perhaps this is most misleading because many people throughout the country, maybe throughout the world, come to Houston. It is like the mad gold rush to California of years ago. Go to Houston. Everybody is going to make it there.

So here we boast of the fact that during the seventies our unemployment rates never fell below 5 percent. But when we look at that 5 percent unemployed, we look at the composition of that meager 5 percent and we find out that of that 5 percent a disproportionate number of those are the young people. True, there might be other minority groups or other minority segments and women represented in that group, but a large portion, a far too large portion of that group, is really made up of young people.

Then we look at a place like Houston, with its high technology. We look at the automation that is taking place here, and we have to assume that when automation takes place, a high technology takes place at the rate that it is taking place here in Houston, that many of the entry level jobs are going to be displaced unless these persons in these jobs receive some type of training whereby they can continue to move up. So automation automatically reduces the need for unskilled entry level jobs. It increases the need for training for new careers. The CETA-type program is the answer, but I submit to you that there needs to be some kinds of programs in place to see that these persons are able to continue in some kind of employment as technology and automation takes place, so they are not relieved of employment.

Automation also leads to a kind of selective employment beyond entry level jobs that are displaced because of the direction of technology. If the person isn't skilled, then that person really doesn't have a chance if that person is not trained in that specific technology. So if we look to the public school system to perform this task, and the public school system states that it has other tasks, the very basics to perform.

So what I would suggest here is that there would be some kind of tax incentive to industry or to someone, even if it is to the employer, whereby there could be some process in place for these persons to be trained and retrained, so that the person's skills will move in the same direction as the technology moves.

We also submit that when we have this kind of technology taking place, the first persons to be impacted are the minorities, the women, and the young people in the work force, because these are the people who have traditionally held these entry level jobs. These are the groups who have traditionally held these entry level jobs. Then automation has a tendency to open up opportunities to persons in dead-end jobs for learning new skills, while at the same time requiring the motivation and awareness from them to take advantage of these opportunities. So when we talk about training, we realize that not only is the training component necessary, but there has to be some motivational component in place, also, to motivate these people so that they don't feel as though it is an exercise in futility, so that they can feel as though "if I get this training, this training is really geared for me, and if I get this training I am going to have a better opportunity to this job." So they need to have this kind of motivation. They need to have this kind of training.

When we looked at some of the postsecondary education statistics, we became very aware that people are looking more toward alternative kinds of education. Not everybody is going to go to college. Even though we live in an urban center, you know, we don't have to get the horse and buggy and run miles to the school. The colleges are really not for everyone. But there are enough jobs here in Houston, probably for most people here, but we are concerned that these young people will not always be at the bottom of the job ladder, that they would be able to move out of these entry level positions and there would be some kind of postsecondary education in place to help them to become a part of their high technology that we have here in Houston.

One of the other points that was of great concern to me—and maybe it might have been voiced in some other hearing—and several of the young people remarked to me—that one of their greatest concerns here in Houston is a kind of fear of harassment by the policemen. I would like to cite to you an incident that happened with my own son when he was 15 years of age.

He had left a store at about 5:30 in the evening on a Friday, hopped into the bank to deposit some money and to make a withdrawal. He and another young man who was about 17 at the time came out of the bank. At that point two Houston police cars turned the sirens on, sped around, turned around in the middle of the street, rushed out and pulled them against the cars and asked him what in the so and so was he doing with a checkbook and whose checkbook was that. They began to abuse him terribly.

When we reported this to the community relations section, I think, of the police department, we were told my son would have to write it up, which he did. We were given a big runaround. Unfortunately, just about 2 to 3 weeks later, the doorbell rang 1 day and a policeman appeared at the door and he said to my son, "I'm going to have to take you downtown to question you concerning the abduction—it was some woman who lived in the neighborhood."

My son said to him—this is an example of how one incident leads to a lack of respect. He said to the policeman—feeling very safe because we have a courtyard and the gate was there, so the policeman couldn't get in—he said, "I don't know why you have come for me because I have a mother." This was his response to the policeman.

Just a short time after that he was driving through an area about 11:30 at night—and this area borders Rice University. The policeman stopped him again, because by this time he was—he had just turned 16 and was able to have his drivers license, so very proudly learning to drive, to get out. He was coming home and the police stopped him and asked him what was he doing in that neighborhood. He said to him, "I live in this neighborhood." The police proceeded to use a lot of abusive language and told him no, he didn't live in this neighborhood. He said, "Well, let me go in here and call my mother."

So the policeman followed him to the street a couple of blocks away, whereupon he called me so that I could tell the policeman that yes, this is my son. But most of all, my question to the policeman "So what if he is some mother's son; most of all, he is a human being."

So in talking to these young people, one of the things that they were very much concerned about was not necessarily police brutality, which might have been talked about in the crime section, but just the harassment. They are concerned that they would have the freedom of movement in this urban area here, so that they can go wherever they please as long as they are not doing anything wrong, and as long as they are not trespassing on the rights of someone else. They were gravely concerned about this. I can cite numbers and numbers of cases to you that has happened with youngsters.

Now, most of the youngsters that I have had contact with in the last 5 years have been youngsters who have been in one of our alternative education programs, which is a high school for engineering professions. Houston likes to boast that the cream of the crop are the youngsters who attend their alternative schools. So I would like to say, having had contact with these youngsters and having had them in my home on so many occasions, I, too, would like to boast they are the cream of the crop. So if they are being harrassed and they are not being accorded human dignity, you can understand what has happened to the other persons. I submit they have too many frustrations to be bored with, you know, that kind of thing.

Something else I detected in talking to these young people. I detected a great need for someone with whom they could just talk, and beyond what kind of program could be in place. Maybe we could tap the resources of some of our senior citizens and come up with some kind of grandparents program, where these senior people would volunteer to just—similar to the Big Brothers or Big Sisters, because we have to admit today that a trip to grandma's on Sunday afternoon is just not the norm. We don't do that any more. Many of these kids don't know their uncles. They don't know their aunts. The extended family is just not in place as much today. So although the family is not in place, I have sensed in them and I have heard them voice the need for that emotional support system. Unfortunately for most of them—and this bring up another point—they are hardly able to articulate it that way.

One thing I have found—and this is something that concerned me greatly, particularly, since Congressman Leland is sitting here I want to say it—with the youngsters finishing school in Houston. Their ability to communicate is very poor. Their communication skills are horrendous.

Now, we talk about having bilingual education in the schools, and we talk about the need for a lot of other things. I don't even know that monolingual is a correct term, but I would like to see something in place where these youngsters could have the basic skills of being able to communicate. Because as I talk to so many of my son's friends now, who are now junior and seniors, many of them are seniors who graduated from the high school, from engineering professions, made straight A's in science and math. I don't know how they will ever make it through an interview on a job. You know, "that went" is just a common thing with them. I am sure that we are aware that the environment from which they come lends itself to this. But certainly, we should have systems in place to overcome this, because they still—we talk about employment and underemployment. I wonder how some of these youngsters coming out of the University of Houston and University of Texas, Texas A&M, some in the Colorado School of Mines, when they get to the work place I can see that maybe being an excuse for them not moving up the ladder. I am concerned about their upward mobility. I am concerned that we get so involved in thinking, "Hey, they have got a chance to go to college now"—you know, there are all kinds of scholarships for them to go to college. But there is a very important part of their education that they are not getting.

As I discuss some of the issues that I wanted to present here today, I have talked to them for a long time so I can talk their jargon, get down with them or whatever, and I listen to them talking. It was a sad thing to realize that their vocabulary is so limited. I'm not talking about the three syllable words. Many of them are monosyllabic. These are persons who are seniors in college. I don't know how they write term papers. I just don't understand this. But that is a serious concern of mine.

I felt that this was so pressing—I knew Dr. Galloway was going to talk about the health problems and I thought that I would just be delighted at the opportunity to speak as a mother, because I strongly feel that our legacy to our young people of Houston and to this Nation should be an assurance of the American dream, of a right to a quality life. I am concerned when I look at these young people here in Houston and I wonder if some of them, if a trip to the grocery store or a trip to the supermarket will not someday be as awesome a task for them as a journey to the moon.

[The prepared statement of Dolores Dodd follows:]

## Testimony on Problems in Urban Centers--Human Services for Young People

by Dolores M. Dodd

The problems of urban America emerge in a number of critical issues related to a segment of the population that is at higher-than-usual-risk for many of the social and economic ills of urbanism. The young people who live in communities and circumstances that place them in this untenable position are not the forefathers of this great society. However these young people are the heirs who are victimized. They have legacy to a period when all levels of government are expected to reduce support for basic human services that are essential to basic human needs.

I submit for your consideration some of the critical issues detailed in recent local and national summative reports.

### HEALTH AND HUMAN SERVICES

The nation has experienced a remarkable reduction in death rates since 1960 for most age groups except one—young people ages 15-24. Between 1960 and 1979 the mortality rate for young people, ages 15-24, climbed by 75 percent to total 50,000 deaths annually.

The most vulnerable young people have a higher than average incidence of health problems and related social ills, including:

Venereal disease, increasing dramatically. About one out of every eight young people acquire venereal disease each year, totaling 2.5 million individuals. Since 1960, for example, the rate of reported gonorrhea has increased by nearly 200 percent among 15 to 19 year olds, 163 percent among 10 to 14 year olds, and 122 percent among 20 to 24 year olds. Consequences of this disease can be serious, including pelvic inflammatory disease and associated sterility, stillbirths and birth defects.

Teenage pregnancy, resulting in approximately 600,000 births to mothers aged 19 or younger, often preventing young women from completing a high school education or becoming self-supporting. Further, the risks of low birth mortality are two to two-and-one-half times greater than if pregnancy is delayed until after age 20.

Alcohol abuse, affecting 3.3 million young people whose ranks are growing. Over the last five years, the number of high school seniors consuming excessive amounts of alcohol increased to 41 percent. Hospitalization for alcoholism among 15 to 24 year olds increased by 44 percent between 1974 and 1978.

Drug abuse, as reflected in a 1978 survey of high school seniors which indicated that 54 percent has used an illicit drug within the previous year, and that the daily and near-daily use of cocaine, stimulants and inhalants was increasing.

Violence, frequently the outcome of alcohol or drug abuse and adolescent depression, accounts for the first three leading causes of death among 15 to 24 year olds:

Accidents caused nearly 55 percent of all deaths in this age group in 1978. Approximately one-half were alcohol related and nearly three-quarters the result of automobile accidents.

Homicides over the past 20 years have nearly tripled in rate for 15 to 24 year olds—from 4.7 per hundred thousand in 1960 to 13.2 in 1978. It is estimated that one-fourth of these were related to alcohol abuse.

Suicide rates for young people have increased by 75 percent since 1968 compared to only a 17 percent increase for all ages. Estimates are that one-third of adolescent suicides are alcohol or drug related and that for every suicide death there are an additional 100 attempts.

Mental illness, contributes dramatically to suicide, homicide, and other violent behavior as well as to drug and alcohol abuse. It is the fourth leading cause of hospitalization among young people.

The situation is compounded for many young people who suffer from several of these problems simultaneously, placing them at high risk of disability or death. Further, approximately four million young people do not have readily available primary care services. The result is that such problems as dental, nutritional, endocrine and orthopedic disorders may go untreated. Finally, these health problems are exacerbated for many young people by their social and economic circumstances.

In response to the growing prevalence of these problems among increasing numbers of young people, public health departments and private voluntary agencies have created over the years a multitude of service programs. Nationally, some 2,000 organizations sponsor services, each designed to prevent or treat one or a few of the major health problems. Locally there are few programs of significant magnitude to meet the demand for services for youth and young adults.

Although there have been few studies documenting the impact of these services, the evidence is encouraging. For example, selected programs for pregnant teenagers have reduced repeat pregnancies and school dropout rates. Other studies suggest that certain programs can reduce the incidence of alcoholism and drug abuse and associated violent behavior.

Unfortunately, these and other programs designed to serve this high-risk group face serious problems. First, young people often delay seeking health services until it is too late to prevent a problem, or its serious consequences.

Second, the fact that there are so many services in different locations—each specializing in the prevention or treatment of a few health problems—decreases the likelihood that the young person with multiple problems will make all the stops necessary to get adequate care.

Third, there are few physicians trained in the special health care needs of young people.

Fourth, and most significantly, several independent economic forecasts predict constraints in support at every level of government for health services, including those for this age group. These constraints would make it increasingly difficult to maintain even existing levels of care.

One approach is to consolidate the efforts of major providers of services to high-risk young people—teaching hospitals and public or voluntary health service agencies.

Many teaching hospitals have become increasingly involved in providing ambulatory medical care and other services to young people. Some have established specialized service programs for this age group—alcoholism treatment programs, family planning, drug abuse programs and others—into single administrative units. However, these clinical services are usually limited to the hospital and therefore only to those young people who turn to those institutions for care.

Public health departments and private and voluntary agencies offer similar types of services but in separate community locations and clinics. These include clinics and centers for mental health, planning, prenatal and maternity care, and prevention and treatment of alcohol and drug abuse and of venereal disease.

Through consolidation, the mutual efforts of these two kinds of health providers would be combined. Clinical faculty, residents and fellows from the teaching hospital would join with selected agency staff to provide care in each of several locations. These service locations would be sites where the community agency previously provided more limited services. They would be located in areas frequented by young people, and because they offer a broad range of services, should make care more accessible to individuals with multiple health problems.

Although many public health officials and physicians have long urged consolidation—recognizing the potential for cost savings and improved care—there has been little incentive to do so. The expected funding reductions make it timely to demonstrate the feasibility and effectiveness of this concept. The Urban Health Initiatives of the mid-seventies appeared to be an effort toward service integration. However, the quality of guideline and technical support was inadequate to effectuate significant linkages.

Presently, appropriate federal incentives are needed to promote consolidation of services to make more efficient and effective use of community services to accomplish:

(1) Making human services for high-risk young people more accessible; (2) arranging for long-term support for such consolidated services; and (3) training human service providers in the care of high-risk young people.

It is hoped that high-risk young people served by these consolidated services will have lower rates of death and disability than their counterparts served by more fragmented services.

### EMPLOYMENT—UNEMPLOYMENT

Houston is looked upon as the "golden buckle of the sun belt". Our unemployment rate never topped 5 percent during the 70's. If the trends hold, it is assumed that Houston's unemployment rate will remain low. One implication is that jobs requiring technical skill are going to be abundant. Although unemployment overall will be lower here, there will be certain groups of people who will find it difficult to fine work. Persons cannot work if they cannot get to a place of employment. The local work place is scattered from far southeast to far southwest, as well as far northeast to northwest. Public transportation, public housing and reasonable-income housing remain within the inner city. This disparity further restricts the chances of employment for the young people and the other critically unemployed groups. Persons cannot work if they cannot find a reasonably priced home for their families.

Houston's economic expansion can be deceptive. Automation will continue to have an impact. Increased use of automation will:

(1) Reduce the need for unskilled entry-level jobs; (2) increase the need for training throughout careers; (3) lead to selective employment beyond entry-level jobs that are displaced because of the direction of technology; (4) Increase skill requirements at all levels and emphasize continual retraining; (5) impact minorities, women and young people in the work force, since many of the jobs affected here have been held traditionally by these groups; and (6) open up opportunities to persons in "dead end" jobs for learning new skills, while at the same time, requiring the motivation and awareness from them to take advantage of these opportunities.

Both motivation and training opportunities must exist. Women, youth and minority groups will require special attention for retraining and motivational opportunities or face unemployment. Continued training is essential to job security in a "high technology" job market.

Our legacy to the young people of Houston and this nation should always be to secure the American dream of a fair chance to life. As we move to urbanization we apply a "social technology" that is consummate to "industrial technology". A trip to the neighborhood supermarket should in no way be as awesome as a journey to the moon.

The **Chairman**. We will begin the questioning, but unfortunately I have to leave for a few minutes to make a presentation in another part of the building. I would like to turn the chair over to Mr. Leland.

Mr. **Leland** [presiding]. Let me apologize for missing Dr. Galloway's testimony, but I assure you that the staff has well prepared me with questions that hopefully will be adequate. I guess I should proceed by questioning Dr. Galloway.

Dr. Galloway, in your statement you say that there were valid reasons why the Federal Government got into the health care business. Will you elaborate on these reasons? I suspect that these reasons relate in more general ways to why the Federal Government has been drawn more and more into assistance to States and local government.

Dr. **Galloway**. Just generally speaking—and I could give you answers to when such programs started and so forth—but just generally, prior to the 1960's, and even back in the 1950's and before that time, there was a special provision made for people who weren't of means as far as health care was concerned. The attitude was more one of health care being a privilege in this country rather than health care being a right.

That is a recent concept. Probably all of us can remember the old public hospital. Just about every metropolitan area had a huge, run down, inadequately financed facility for the poor. That was it as far as their health care was concerned. They usually showed up there when they were about to die or seriously ill.

But the idea that people, poor or not, had a right to be healthy, feeling good and have all of the preventive and technological measures and so forth that make you live a nice, long life was not available to them. In fact, the statistics of blacks and other poor people prove that there was a big difference in the type of health care that people received.

So the local private industry, the private medical profession, had not done anything to address this problem. Of course, local governments hadn't done much either, except, of course, to have their one public hospital in the cities. So that is the reason these grants came about in the first place.

People started looking at statistics, started looking at how much sooner we were dying than, say, middle-class people. They were looking at how many black babies and other poor babies were dying in the first year of life. They were looking at how much cancer and hypertension and all other kinds of problems we, as people, were having. They knew that we needed something different and, if they didn't provide it, nobody else would.

I have not seen anything different take place. We have a beautiful, one of the most advanced centers in the world here, and it is fine for you, you know, if you have to have a cardiac bypass or something like that. But we are talking about the basics of life. The only people so far willing to provide has been the Federal Government.

Of course, you know I do have to give some credit to the city of Houston. Houston has been pretty good about supporting its health department. Again, like I said, we are in competition for so many other services, there is no way they can address the needs of all of the people here.

Mr. LELAND. Who can afford a cardiac bypass anyway, I might ask? Given that if the Federal Government continues these budget cuts and grants in aid programs, can private, State and other sources of funding fill these needs? Can your department sustain the interest of trying to provide access to the system?

Dr. GALLOWAY. What we are looking at right now, and I know what Dr. Craven has been planning for, she is going under the assumption that the Federal Government is not going to be able to be relied on any longer and is looking at trying to get the city to pick up much of the services.

We are not even talking about picking up. It would be great if they would pick up and continue, which probably won't happen because it is going to be impossible on the tax base we have now.

Personally, I feel that if, for example, our city council had to go to the public, to Houston and the citizens, and say, "Hey, we want to raise your taxes to pay for health care," I don't know what the development would be. The city can do so much, but that is just holding the status quo.

But we are in a city that is expanding. We are talking about nearly doubling our budget this year, and maybe again next year, just to keep up with the growth. So no, the city of Houston, the State of Texas, cannot keep up with the health needs, public health needs of our people. There is just no way.

What we are looking at is cutting to bare bones, cutting out now—we are looking at which services, if we had to choose between them, we can go without, choosing priorities. We are also looking at squeezing people out of our system, who would be hurt the least.

One example of how people are really being forced out of our system already, we get hundreds of phone calls every day from people wanting to make appointments to come into our clinics for health care. Every month it takes longer and longer for somebody to get into our system. A few years ago you call for an appointment, and you would be a pregnant lady, you call for an appointment and get it the next week. Now you might have to wait 3 or 4 or 5 months, and you may have had the baby by the time your appointment comes due.

In essence, what we have done when that happens is we have forced somebody out of the health care system. This is unfortunate; we don't want to see that happen, but that will happen more and more.

Mr. LELAND. I authored a bill called the CHAP bill and we reintroduced the bill this last year of the Congress. What it is designed to do is incorporate more potential mothers and children—the CHAP bill is the child health assurance program—to incorporate more children and expectant mothers into the eligibility parameters of the medicaid program.

With the budget cuts as we have realized them, and with weights the President has advocated in terms of these budget cuts, that bill seems not a reality. But I know that there are 160,000, at least 160,000 children in this State alone who need to be brought into eligibility.

These are the children who fall in between the cracks. They don't quality for medicaid yet, and their parents can't afford to pay for their health care. What do we do about children like that?

Dr. GALLOWAY. They keep falling between the cracks, unless some money comes from somewhere.

We have an unusual situation here in Houston in that in the city of Houston, much of the Federal money that we had before attached some stipulations that were good. They are not all bad. And some of them were that we offer health care to people regardless of income. Everybody was eligible. That is sort of different from the Harris County Hospital District, that their charter says they must charge people according to ability to pay. They must meet some eligibility requirements.

But right now anybody, regardless of whether you are a millionaire or "running in between the cracks" people, you can come into our system. But like I said, again, we are looking at tightening our belts and seeing what we can do. We are getting to a point where we have to start forcing people out of the system, even people who can pay, which amounts to maybe 8 to 10 percent. That leaves a lot of people who can't pay.

We were looking at some sort of sliding fee scale and going to third party reimbursement, medicaid. Again, with the cuts in medicaid, you know, that is one of the problems. We eliminate that as a viable alternative to providing a service to people.

I don't know what is going to happen. We are going to have to go public with this and ask the citizens of Houston if they are willing to pick up the tab.

Mr. **Leland**. What is your speculation on that?

Dr. **Galloway**. Health care is just not a very glamorous and pressing issue. I doubt we would be very successful.

Mr. **Leland**. The President has advocated—and I am fully in agreement with him—if it would in fact happen, but he advocated the private sector should take up where the Government leaves off.

Dr. **Galloway**. That is great. They never have before. We have tried, for example, on a local level; we have what we call some fall-between-the-cracks patients. They come to us, for example, for prenatal care, pregnant ladies. We give them care without charge, but then we don't do delivery in our public health system.

They have to go to some other system to deliver their child and those systems have eligibility requirements, and that is where we lose a lot of patients, because they get to that system and they learn that they are not eligible.

We have attempted, we have approached private systems here and said, can you work out an arrangement with us to help take care of our patients? We will try to get them—even if there is a charge, that is, what kind of arrangements can you make? If a patient doesn't have much income, give him a 12-month or 24-month pay plan and let them deliver their baby.

They have to deliver their baby somewhere, but we have not had any luck with the exception of a couple of small community hospitals who themselves have limited resources.

Riverside General Hospital and St. Elizabeths Hospital have both been willing to help us out with our patients and so forth, and make special concessions for them. But for the most part the private sector has not.

Mr. **Leland**. Both of them are just about at the point of having to close down.

Dr. **Galloway**. That is right.

Mr. **Leland**. Let me ask you about a pet peeve of mine. On the issue of infant mortality, how do we rank in the country?

Dr. **Galloway**. I have that figure. I am not quite sure. We are below—I can't give you the exact figure. I have seen it recently, but we are below other metropolitan areas, OK?

I remember that. It is something like the country was in the 13.5 range and we were something like 15.02 and again a lot of that had to do with the characteristics of our city.

We have a lot of people coming here from other parts of the world, from other countries, who were in very poor health when they got here, so we see the results; we take care of the complications once they get here.

That has a lot to do with the statistics.

Mr. **Leland**. I had a task force of which the health department, your health department, was a part of and still is, to some degree—

in fact it is just that we have had a recent impasse. I hope we will get reactivated, especially on the infant mortality task force.

We found one of the real problems was the coalition of information and gathering of information, one of the findings was that there was no ability to use the information that was available because it was either not kept at some place where they stored information, like in the State Department of Health and Human Resources, I forget the name, but it is impossible to extract and, because of that, we were unable to really arrive at some of the characteristics as to how it is that we could seek to strategize or try to provide alternatives or solutions to the problems.

Is there enough of that kind of activity—are there enough people who are really focused on the problem of infant mortality—because we do realize that Houston is at a very critical stage?

Dr. GALLOWAY. Not really. Part of the reason is the one you cited. I know we have a frustration at the health department, for example. We generate large amounts of statistics. We receive large numbers on what is going on with people, lots of head counts, but at this time we have not reached the point of sophistication and again that is due largely to the lack of money not being able to consolidate all of the information that is available.

For example, I want to say even to consolidate information not just from one area, but for every area; the medical center, Jefferson Davis Hospital, school of public health, the health department, all of these people should be able to push buttons and consolidate their information and get the same information back.

If you ask each agency for statistics, you get something different from each one. So we are not at the point of being able to analyze what we are doing and what we are not doing. That is very important. That is looked upon as icing on the cake whether you are asking for money. You say I want some money for a sophisticated computer system to do some real analysis and see if we are having any impact on these patients.

They say, are you kidding? What are you talking about?

But that is really important so you know where to go from here. Right now we are busy bailing water, so I guess that is still further down the road.

Mr. LELAND. I yield to my colleague from California.

Mr. DYMALLY. Dr. Galloway, a university professor at UCLA, has suggested that our infant mortality has increased with the amount of Nobel Prize winners in America. The Japanese have none but their mortality rate has gone down.

We increase our Nobel Prize winners in medicine every year and so does the infant mortality rate.

Dr. GALLOWAY. Can I offer an explanation for that?

The explanation again is a lot of emphasis on health care in this country is put on sophisticated machinery, the big shining medical, urban medical centers. On what we call the esoteric medicine.

Loads of money will be poured into research, to look into rare diseases and find cures for odd types of things, but the everyday health matters, they are not glamorous and that is not where the money goes.

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Also, there are other countries who are ahead of us in thinking and that is we still think in terms basically of health care for ill people.

That is, wait 'till you get sick, and then we have got all of this fancy medical information and we will take care of you, but we are learning, but yet we are still not putting our money where our mouths are; we are learning that preventive care is what it is all about; teaching how to eat right from the first day of your birth; so that you don't develop hardening of the arteries and coronary artery diseases.

Teaching you not to load your food with salt so you don't develop hypertension. Teaching you stress measures and so forth so you live an easier life and how to exercise.

Those things are hard to change once you have gotten into that kind of lifestyle. Doing something about our environment, making regulations stricter for dumping toxic wastes and all of that into our rivers and pouring it into our air; that is where the money should go.

The human body would probably take care of itself in 95 percent of the cases if we took care of the environment and we took care of youth—just used preventive measures.

That is not where the money is going now. I don't know how long it will take for people to wake up and realize that in the long run that is where the cost effectiveness is.

Mr. DYMALLY. Mrs. Dodd, you expressed a note of expectation, but what you did not take into account is the crisis we face in the budget document which was passed by the Congress last year, and the one which we now have before us, because it makes no provisions at all for some of the problems you have brought before this committee.

The five district attorneys from the five largest cities in America went to the Department of Justice to talk about deletion of funds and they were told that if the economic recovery program works, juvenile delinquency will be taken care of and you will not have this question of juvenile crime.

When one examines the budget, there is no money for job training programs, so we don't have a national policy to deal with the problem that you raise because I could take your speech and put it into my district in Los Angeles County and it would apply to the young people there.

This administration is not responding to that, so we face that dilemma.

I am not going to solicit any response from you because I think it is something that all of us find very difficult to respond to.

Thank you, Mr. Chairman.

Mr. LELAND. We seem to be rather partisan in this market. Lest we seem that way, let us say we had somewhat the same problem with Jimmy Carter.

My colleague was not in Congress at the time, but the Congressional Black Caucus continually battled President Carter on the same issues, that he was not really addressing the real problems.

I would like to go back to Dr. Galloway and we will try to speed up the proceedings.

In your recommendations, you suggest that States be given a phase-transition period in order to respond to their new responsibility. How much time do you think is necessary based upon your responsibilities?

Dr. GALLOWAY. I think September 30, 1982, is a little soon. I don't know what the State Department would think would be reasonable. I would say at least 5 years.

Mr. LELAND. Mrs. Dodd, you state a number of ills now deeply rooted in our society of which our young people are disproportionately victimized.

Would you tell us which of the existing Federal programs have been most effective in addressing these problems and what is the status of these programs now?

Are they strong or candidates for extinction?

Mrs. DODD. Some of the programs, if we look at the CETA program, they have been attacked from every side. There were some places, even here in Houston, where there was a component there that was a motivational component. I do not feel that the recipients or the intended recipients should bear the brunt of any lack of administrative know-how. I think that if the moneys are appropriated and they are funded, then perhaps the same person who funds it, whether it be—in this case we are talking about Federal Government—should provide the monitoring mechanisms and the technical support to see that those programs are effective.

I think that is what has happened in cases like the CETA programs. So yes; I think the CETA programs were able to work, and I would like to cite an incident of a young woman who came to work with us as a CETA person. This person worked in a program which was the citizens schools program here in Houston. She is now working in the teen health program, and I was very pleased just a few weeks ago to hear the administrator of the teen health program say this young woman brought a lot of dignity—not only did she bring a lot of know-how to the program, but a lot of dignity to the program.

We saw this young woman come to work at the health department as a CETA person. She reenrolled in classes at Texas Southern. She is continuing school now. So even if that might be just a small example, I can only talk about the things that I have seen and I do know that there is a possibility. So; yes, I think that was a program that had a good chance of working.

Mr. LELAND. The President uses isolated examples like that to get his ideas across too. I certainly appreciate what you said.

I wish that I could have been as eloquent in my arguments against him on the floor of Congress as you have been today.

The fact of the matter is, what I hear you saying is that CETA should not be thrown out. In fact, what we should do is revamp CETA or at least the concepts, develop some administrative capability and remedy the problems within CETA as opposed to——

Mrs. DODD. If one were to purchase a 1982 Rolls-Royce and something went wrong with it, I don't think the person would dump it. I think the person would try to modify whatever it is, try to repair it, but I don't think that person would really dump it.

If we—certainly it was a well-conceived program. I don't think that it came out of Congress not being well conceived. Since it was a well-conceived program, if it had some minor difficulties, then I think we should look at those minor difficulties and try to make modifications as needed.

Mr. Leland. Do I hear you say that federally funded programs have made a dent in the problems of our society?

Mrs. Dodd. Yes; I think they have made a tremendous impact.

Mr. Dymally. Mr. Chairman.

Congressman Hawkins, a member of the Black Caucus, will be pleased to hear you say such good things about CETA, since it has been under such attack from all quarters. He is trying to retool the Rolls-Royce, so-called, to put it on the road.

Given the outlook, it seems the road is rather bumpy out there. I hope the President can respond to what he proposes to present to the Congress.

Mr. Leland. Your recommendation regarding consolidation of services to high risk young people is very persuasive.

Are there any such efforts underway here, in our home, Houston? If so, how successful have they been?

Mrs. Dodd. Yes. There are efforts underway and I am sure that Dr. Galloway would agree that in many of the programs currently operated in the health department, we have linkages with other agencies and when we speak of the private sector, the Robert Wood Houston Foundation just recently came out with an effort to try to promote this kind of consolidation.

We have programs with HISD, with mental health, and mental retardation. There are numbers of programs in place. However, there are numbers of persons who remain in need. The programs, the depth of the programs I might say is probably not great enough; there is quality in those that are in place, but the quantity is lacking. There just aren't enough of them here to reach all of the persons who are in need.

But it has been proved, because, there are over 2,000 organizations in this country who have attempted some kind of mechanism of consolidation to provide services.

All studies have shown, and all results have shown that it is an effective way to combine community resources.

Mr. Leland. How would you assess the existing overall plan for the delivery of health services?

Mrs. Dodd. How would I assess the overall plan for the delivery of health services in Houston now, chaotic?

Mr. Leland. We know Houston has a number of community health centers. What, in your opinion, are the strengths and weaknesses of these clinics?

Mrs. Dodd. The strengths of those things are ease of access. The acceptability by the community, the location of the centers, the participation, the welcomed participation of the recipients of services there, and the physical plan is nice.

I guess one of the things that I think is more important, the human dignity of the patient is maintained, is preserved, and that is a very important thing to persons who are in need of any kind of human service.

The weaknesses are not—if there are any—are not self-imposed. The weakness might come in the frustrations of those persons who have less than adequate resources with which to service the client population that they are so interested in serving.

Mr. LELAND. That is a very interesting assessment. I appreciate it. We know that Houston has a number of those clinics that we talked about and I would like to qualify what you have said about them to us. I have found in my peripheral involvement that in fact they have enhanced the human dignity of people who heretofore had not the opportunity to get served.

I laud the health department for what it has done. There again, I would suspect that you would suggest that we need more community health centers because I think the population is too disparate between the health centers. How might they be expected to be affected by any likely loss of Federal funds as we realize the impact?

Mrs. DODD. As Dr. Galloway has stated, many of the programs provided there in those centers are programs that are federally funded programs and what I am just now submitting to you is that not only do we need to have the health services there, but we need to expand those and then have other kinds of human services there, so here we have a situation where we probably need an alcohol program located on the same site, or a drug abuse program on the same site and here we are faced with the situation where we wonder if the site is going to have enough of the basic programs there, the basic health programs there.

So there is going to be a tremendous impact on them with the cuts. I don't know what will happen, but Dr. Galloway has just said to us that we should think more about environmental services and I do hope also that we will get more into health promotion kind of activities and maybe we will reduce some of the need.

Mr. LELAND. Is there a movement, Dr. Galloway, to do that, to promote the general health and welfare of our city, as it relates to our personal health and the health of the environment?

Dr. GALLOWAY. I am not quite sure what you mean.

Mr. LELAND. Is there a campaign, a specific campaign being waged by the health department, or private individuals, in the city of Houston to provide some real involvement on the part of everybody to prevent the problems that our universities have had?

Dr. GALLOWAY. A lot of liaison-type programs are being set up and going on with the health department and other medical entities and city government and so forth.

Again, what we are seeing is a lot of good ideas and well laid plans which I am afraid might fall down by the wayside because, if the money is—it is great to have these good ideas about the people and so forth, but you have to have something to back it up.

All this is happening at the same time and being needed at the same time, we are finding out we have to tighten the belts.

What is going to happen at the health centers? The reality is, we are already cutting back services. We have been told we don't have enough personnel to have what we call shifts, so we have been providing some evening clinics and Saturday clinics to people for their convenience, working people, so they don't have to take off work.

When you are poor, especially, and you work sort of a low-level job, it is not that easy to tell your boss you are going to take off and go to the doctor and that kind of thing.

So these were clinics very much needed.

We are already starting to cut back and cut down and close some of our evening clinics. We have cut out our Saturday teen program. It is available only during the week and teens have to come during school or during the week. We are thinking of having to cut out services and clinics if the money doesn't come through to back up what we are going to lose from the Federal resources.

Mr. LELAND. Don't you believe that is a warranted sacrifice so we can build an MX missile system for our country?

You don't have to respond to that.

How difficult is it, or how easy is it, for you to recruit health personnel for your institution?

Dr. GALLOWAY. It is not easy at all. We get into a lot of trouble about that constantly.

City—I guess pay scales and so forth, are far below, in many instances, and just below in other instances, private industry, particularly when it comes to professionals.

Often, you know, they are the first that can grab up somebody while we are still shuffling, trying to entice them—shuffling, trying to get them to work for us.

We do have trouble recruiting highly skilled professionals because of our pay scale. I don't know what the Federal Government is like, but I think government has always had a hard time competing with private industry.

What happens here is, we have a trick situation here in Houston. Say we may have lots of vacancies in professional positions. We don't fill them that easily because private industry is skimming them off and then our city government looks at us and says, "Well, why do you have all of these vacancies laying around? You don't need them," and they cut them out of the budget.

We find ourselves in a vicious circle where we are losing more and more positions and having a harder time keeping them.

People come to work with us and get started with us and when they get really good they leave to go to a more lucrative area.

There are not lots of rewards, and financial rewards aren't the only rewards that count.

A lot of other things are very important to people too, but no, it is not that easy, but we have attempted to get some adjustments. We want to deliver first-class health care to the city of Houston and it takes a while to do that.

Again, like I say, we have people that realize what all is involved by this. It is going to be difficult.

Mr. LELAND. Are you satisfied with the quality of medical care your department is able to deliver at present? That is an automatic response?

Dr. GALLOWAY. You are right.

Mr. LELAND. Is it in direct correlation, the quality, to the funds available?

Dr. GALLOWAY. Yes.

Mr. LELAND. Are there other factors involved which affect the quality of care and services?

Dr. GALLOWAY. Yes.

Mr. LELAND. Can you give us a few?

Dr. GALLOWAY. Other factors would concern legislation, regulations, and standards to go along with, and there attached to the money for health care. They can be restrictive, or they can help to facilitate delivery, depending upon what the regulations are.

Mr. LELAND. I can't leave you without asking you about teenage pregnancy in Houston. Can you just comment on the epidemic that you are seeing here in Houston?

Dr. GALLOWAY. Teenage pregnancy in Houston and around the country, is off the wall. It is what we call an epidemic. At the minimum, 1 out of every 10 adolescents will become pregnant out of wedlock, most of these young women will carry their baby to term and most will keep their baby. Usually they will be impacted, the whole community, the whole society is impacted by this; unfortunately, people don't realize it yet.

What you have is an adolescent who is not finished preparing themselves for life, having to take on adult responsibility; they are financially and emotionally unable to do so.

So, somebody else picks up the tab, the taxpayer picks up the tab, and again, like I say, and it becomes cyclical, you have a child reared not in the best circumstances, not getting all of its educational, social, financial advantages by a basically immature person who cannot impart to that child the types of learning that are necessary, maturity, development and so forth, so again what you are going to have is another person who is likely to repeat the same cycle and it goes on and on and on.

That cycle has to be broken.

Mr. DYMALLY. Would you repeat your response to my observation that there is a national campaign, beginning by members of the administration, to eliminate family planning?

Dr. GALLOWAY. As I said before, if such trend is allowed to continue and it is successful, I think it could be one of the most devastating things to happen in our country. It could set us back 50 to a 100 years and indeed, what I am saying is that if the laws restricting people's, women, men's ability to get family—to seek family planning services, to have birth control services available to them, it would be devastating.

What we will see is an increased, tremendously increased rate of unplanned pregnancies, unwanted children, and we are going to go back to the days of coathanger abortions and people using home remedies and having the atrocities of the fifties and prior to then all over again.

I would advance the idea that these people who are proposing these restrictions on family planning will not themselves be hurt by such restrictions because middle class and wealthy people have always had access to family planning.

They can go to private doctors, and obtain any kind of device or medication they need, and they can leave the country for abortion.

They have always done that. We are talking about this kind of legislation and these proposals being aimed at poor people and minority people.

Mr. LELAND. If Chairman Mao issued an edict.

Mrs. DODD. We can do the same thing, but we have to look at it and see what really are the causative factors.

You have to realize that some of these young people—that male or female—with whom they communicate, becomes the only emotional support system in place for them.

So the sex activity might be incidental to this emotional support relationship that these young people have. So perhaps we need to attack it from more than just one front, and we need to look at—and again I repeat—so many of these social ills are interrelated and we need to look more at the interrelationships of these social ills rather than just channeling our view and say, OK, we need to have, you know, the family planning; we need to have this, but we may also need something else, but there are also other things that need to be addressed at the same time.

Mr. **Leland**. That is the whole concept of the community being a support base, a foundation for the individual, himself or herself.

I recall, if I might—this can be off the record.

[Discussion off the record.]

Mrs. **Dodd**. They have no one to listen to their concerns; the girl talks to the fellow; the fellow talks to the girl; any time they can get to a phone, so there is a need. Then you get this binding kind of thing.

And sex is just a manifestation of that. I don't think the initial intent is toward sex. OK? I think we need to look at that also, and maybe we don't even have to buy as many birth control devices.

Mr. **Leland**. The Chair is going to have to take leave. I will turn the gavel over to my colleague from California. It is an onerous responsibility to have been the chairman of the Southwest region.

Dr. **Galloway**. But you have done a very good job this afternoon.

Mr. **Leland**. I would like to do more of this, as a matter of fact.

What I hear is that we need to bring my Subcommittee on Health back to Houston and I am going to do that. Thank you, Mrs. Dodd. I heard you, by the way, in terms of your reference to communications and I agree with you wholeheartedly.

I recall my third grade teacher once told me I should not say "was" but rather "wuz," from that time on I paid particular attention to grammar. She said, "Where is your grammar, boy, back in the kitchen making cookies?"

But I hear you and appreciate what you said.

Mr. **Dymally**. We have one more question.

Mr. **Davis**. Counsel was concerned to know—if I understood you to be saying that there presently are some constraints within the family planning program which prohibit you from going as far as you could and possibly attaining more success in so doing.

Dr. **Galloway**. Nothing at all that is similar to what has been proposed, OK? The kind of restraints I have been talking about are primarily administrative kinds of restraints, accountability restraints, bureaucracies, paperwork kind of burdens, and I was talking in particular about the kinds of indexes that the Federal Government has often used to measure whether we are doing what we are supposed to do and thereby determining whether we should get any more money. I think these have been inappropriate and, therefore, have not always told the true story.

One example I gave was to say that you consider head counts; that is, statistics. The higher the number, the better you must be doing. That can apply to human beings; that can apply to all kinds of programs. Sometimes there are things that don't lend themselves to that kind of measurement.

In fact, many things don't lend themselves to measurement. They are actually the types of things that are most successful and have the most impact.

Mr. **Davis**. I was interested in having your response for the record because of the fact that the supposition, not really a supposition but the example that you used a few moments ago, about people asking rhetorically: If we have family planning, then why does there continue to be such a proliferation of teenage pregnancies?

Dr. **Galloway**. The thing is, How do you measure how many babies or unwanted pregnancies you prevented? That is very difficult to measure.

I don't know how to do it. We have talked about how can we look at whether we are achieving our goal but there is just no way.

Mr. **Davis**. You are saying that there are benefits but that the measure of success which some persons are looking for is probably not as categorical as the number of pregnancies.

Dr. **Galloway**. A lot of people correlate things not related. They will look and say, you have a high-pregnancy rate, you know, in adolescence in your city. At the same time you have this big family planning program and they will try to correlate the two and they are not correlatable because the ones participating in our family planning program were probably having a great deal of success.

Mr. **Dymally**. Thank you very much, Dr. Galloway, and Mrs. Dodd.

I think it is an appropriate time to take a break and see where we are now. Thank you very much.

[Recess.]

The **Chairman**. The Committee on the District of Columbia will reconvene. We had scheduled at this particular portion of our hearings Mr. Deloyd Parker, executive director of SHAPE Community Center of Houston, and Mr. George Campbell, community development/housing section, also from the city of Houston.

Unfortunately, the two gentlemen cannot be here. But we have had a request from Rev. Robert McGee, representing the metropolitan organization, to testify before the committee. The Chair is more than pleased to welcome the reverend before the committee. We have no written testimony but would you please come forward and you may proceed in any fashion that you choose.

## STATEMENT OF REV. ROBERT McGEE, REPRESENTING THE METROPOLITAN ORGANIZATION

Reverend **McGee**. Thank you, Congressman.

There are some things that—some concerns of mine as it relates to urban affairs here that we want to make known to this committee.

First of all, the TMO organization; is a metropolitan organization, is a federation of 65 triethnic interdenominational churches. It is the largest and most effective citizen organization working to develop a power base which attempts to enable families and grassroots to hold elected officials accountable.

There are some current concerns that we have at this present time. One is the community development program that is available here in Houston. This program is primarily designed to rebuild deteriorated neighborhoods and help with housing.

The program has been ineffective in Houston up until this point. Last year in January the TMO organization had a housing fair recruitment program whereby we had 55 applicants, legitimate applicants that were accepted for community development funds and as of this date not one of those persons have been able to receive any assistance from the program. For whatever reason, we don't know.

The second thing that we are concerned about is the impact of State institutions that will be displacing a lot of low income minority people and disruption of neighborhoods.

At the present time the most concern that we have is the University of Houston expansion. There is a move by the University of Houston to purchase land between the streets of Cullin and Scott, which will displace a vast number of black and minority people.

With the program, the President turning a lot of the responsibility back over to the State, one of the concerns we have is how can we, as citizens, begin to hold State officials and State institutions accountable for what they are supposed to do?

Second, there is a proposed creation of the Harrity toll road, and this is being pushed by the State turnpike authority.

With the closing of the numerous Texas department commissions within the city, we are hoping that in some way we can get some ideas from the committee to help us do the necessary things that need to be done as it relates to working with our organization to impact the power, the voice, the people, to see that our voices are heard.

So that is what we wanted to share with the committee today.

The CHAIRMAN. Reverend McGee, I want to thank you for making this presentation. I have no questions of you at this time.

However, what I would like to do is authorize our staff to be in communication with you and your organization, and to the extent that we can be helpful, we would like very much to do it.

We will have a record of these proceedings. I assume that we will do our report——

Mr. DAVIS. The record will be open for 30 days, and we will be doing a report.

The CHAIRMAN. Our record will be open for 30 days so if there are any additional materials that you would like to submit for these hearings in Houston, please feel free to give us that material. My staff will tell you how to reach us.

If there is information that we can get out to you, we would be more than happy to do it because I have a contact through Congressman Leland, the representative here, or you can contact us directly.

These hearings are our effort to challenge a very powerful effort in this country.

As I said before, unfortunately, we are the only committee in the Congress looking at the problems of urban America. I feel that the problems of urban America constitute significant jeopardy and great danger.

As I said earlier, I think the infrastructure of our cities are in trouble. I think we are talking about the potential of explosions in

America, particularly if we emphasize this new notion of New Federalism and I think we have to be prepared for that.

All of the testimony that we have heard indicates that we continue down this road, our cities are going to continue to deteriorate. We will awaken one morning and our cities will be, the old, young, rich, and poor. Middle-class families will have moved out away from the central city. Those people moving back are the people with wealth, so where—the people who are in poverty have no place to go. When the middle-class move away, the infrastructure drops, because there is no one there to support it, no tax base for the school system, and so forth.

So we are talking about a very significant difficulty. We talked with police and indicated that, given the budget crunches, that those programs we ostensibly fought for to improve the community relations of the police and the minority community, those are the first programs that go out the window which brings us to greater tension between the police and community.

Housing is plummeting, unemployment is skyrocketing. These are recipes for disaster. This is one tiny effort in the whole range of things that can be done. To the extent this little committee can focus attention on the ineptness and inadequacy of our Federal approach to solve these problems, we will have done something.

If we in some way triggered the imagination of people to become actively involved in challenging the absurdity of the direction of these policies, then our committee will have served one of its purposes.

If we have been part of the educative process for people to begin to look very seriously at the processes that are deteriorating our cities, whether it is Houston, Philadelphia, Oakland, Calif., Los Angeles, Washington, D.C., or wherever, then I think that we have served our purpose.

We would like to be in communication with you. To the extent we can be of mutual assistance to each other, you have my commitment.

Reverend McGee. Thank you very much.

The Chairman. If there are no further matters to come before the full committee, the full committee stands in adjournment subject to the call of the Chair.

[Whereupon, at 5:05 p.m., the committee was adjourned, subject to the call of the Chair.]

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